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ABSTRACT

The papers and transcripts included in this report were presented at the EPDA Institute for in-service training of administrators and trustees of small colleges held at Eureka College, Illinois, in August 1970. The papers included are: "Issues and Problems of the Small Colleges in the Seventies," by Frederic W. Ness; "The Development Function in the Seventies," by A.C. Frantzreb; "Leadership for the Development Program," by R.M. Upton; "The Institutional Planning Process: Academic and Fiscal," by C.M. Alter; "The Ongoing Development Program Versus the Capital Campaign," by W. Gould; "The Case Statement," by H.N. Heston; "Researching the Foundations," by R.M. Witter; "Planning for Government Grants," by A.J. Wiebe; "Local and National Business Community Involvement in the Development Program," by D.P. Watters; "A Parent's Program," by C.C. Nolen; "Church Involvement in the Development Program," by P.E. Sago; "Prospect Research and Cultivation," by G.T. Smith; "Recruitment and Use of Volunteers," by D. Massey; "Motivation for Financial Support," by J.W. Leslie; "Starting from Scratch: Building a Gift Record System," by G.W. Yenerick; "Evaluating a Development Program," by A.C. Frantzreb; some remarks on a development program by R.J. Voskuyl; and the address by Governor Paul Simon concerning financial problems in higher education. (AF)

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DEVELOPMENT
a team approach

CASC

Papers presented at the National Institute of the U.S. Office of Education EPDA Institute for In-Service Training for Administrators and Trustees of Small Colleges. Administered by Messiah College and The Council for the Advancement of Small Colleges, and held at Eureka College in August 1970.

THE COUNCIL FOR THE ADVANCEMENT OF SMALL COLLEGES
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Introduction

Roger J. Voskuyl

The papers and transcripts that make up this publication were offered at the first or national phase of a U.S. Office of Education EPDA Institute for in-service training of administrators and trustees of small colleges, which was held in August 1970 at Eureka College, Eureka, Illinois, for the member colleges of the Council for the Advancement of Small Colleges (CASC) and a number of guest colleges. The institute was funded by a grant from the U.S. Office of Education under Part E, Training Programs for Higher Education Personnel, of the Education Professions Development Act (EPDA) of 1967.

The institute was planned by the Council to continue and extend the in-service training program for trustees and administrators of small colleges on which it had cooperated with the Department of Higher Education at Michigan State University throughout the 1969-70 academic year. That institute, which was also funded by the U.S. Office of Education, was designed to help members of the boards of trustees of small colleges to a better understanding of their roles and responsibilities.

This second institute concentrated on the development function at the colleges. It sought to provide a team-training experience in development for trustees, presidents and directors of development. The program was designed to increase their knowledge and understanding of their specific functions and, especially, of the interrelationships—the "team approach"—necessary for the successful execution of a development effort. The involvement of trustees continued the in-service training of trustees that was the major thrust of the first institute. The response of the trustees to the challenge of these programs has been eminently satisfactory and productive.

In the planning of the institute and the selection of personnel, the Council was indeed fortunate to have the advice and assistance of a number of people expert in the areas of development and public relations; in particular, of John Leslie, executive vice president of the American College Public Relations Association; Warren Gould, president of the American Alumni Council; Arthur C. Frantzreb, president of Frantzreb and Pray Associates, Inc.; and Herbert Wilson, director of the Cooperative College Development Program. The success of the project was in large measure due to such help, and the Council wishes to express again its appreciation.

The unique feature of the project was the second or follow-up phase during the academic year 1970-71, for which the stage was set at the national institute at Eureka College. Twenty-three directors of development from non-CASC institutions with well-established development programs were invited to attend the institute, at which they served as discussion leaders and established relationships with those colleges to which they were assigned to serve as consultants in the second phase. During this phase, each consultant made, as a minimum, two visits to each of his assigned colleges; in return, the director of development from each participating college visited his consultant's institution to study at first hand the development operation there.

A reading of the consultants' reports on these visits indicates that this second phase was as helpful, if not more so, than the first. The visits obviously could and did involve more administrative personnel and more trustees, as well as staff members of the development office, than had been able to attend the Eureka program. It was apparent that this was a new experience for a number of the colleges, and an experience with practical and concrete results. A number of colleges, for example, were counseled in the involvement of trustees in development, with at least two colleges subsequently reporting that very substantial grants from trustees were initiated by the consultant's visit. One consultant participated in the first meeting of a community council which was being organized by a college. As a result of the visits, a number of the colleges have retained professional consultant service. Above all, the participation of college administrators and trustees in their development responsibilities has greatly increased.

Eighty colleges participated in the project, involving a total of 210 persons in the national institute and, as already indicated, a substantially greater number in the consultant visits.

The papers that follow are printed in the order in which they were presented during the five-day program at Eureka. Only minor editing has been done for publication.

In addition to the grant from the U.S. Office of Education, financial support of the project was also received from The Anaconda Company and The C.I.T. Foundation, Inc. This publication has been made possible by a special grant from the Shell Companies Foundation. For such generous support, the Council is profoundly grateful.

4

CONTENTS

INTRODUCTION .... *Roger J. Voskuyl* v

ISSUES AND PROBLEMS OF THE SMALL COLLEGES IN THE SEVENTIES .... *Frederic W. Ness* 1

THE DEVELOPMENT FUNCTION IN THE SEVENTIES .... *Arthur C. Frantzreb* 15

LEADERSHIP FOR THE DEVELOPMENT PROGRAM .... *R. Miller Upton* 23

ADDRESS .... *The Honorable Paul Simon* 33

THE INSTITUTIONAL PLANNING PROCESS: ACADEMIC AND FISCAL .... *Chester M. Alter* 39

THE ONGOING DEVELOPMENT PROGRAM VERSUS THE CAPITAL CAMPAIGN .... *Warren Gould* 53

THE CASE STATEMENT .... *Herbert N. Heston* 57

RESEARCHING THE FOUNDATIONS .... *Richard M. Witter* 63

PLANNING FOR GOVERNMENT GRANTS .... *Arthur J. Wiebe* 73

LOCAL AND NATIONAL BUSINESS COMMUNITY INVOLVEMENT IN THE DEVELOPMENT PROGRAM .... *Donald P. Watters* 77

A PARENT'S PROGRAM .... *C. C. Nolen* 83

CHURCH INVOLVEMENT IN THE DEVELOPMENT PROGRAM .... *Paul E. Sago* 89

PROSPECT RESEARCH AND CULTIVATION .... *G. T. Smith* 97

RECRUITMENT AND USE OF VOLUNTEERS .... *Dyar Massey* 107

MOTIVATION FOR FINANCIAL SUPPORT .... *John W. Leslie* 117

STARTING FROM SCRATCH: BUILDING A GIFT RECORD SYSTEM .... *George W. Yenerich* 125

EVALUATING A DEVELOPMENT PROGRAM .... *Arthur C. Frantzreb* 131

CONCLUDING REMARKS .... *Roger J. Voskuyl* 135

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Issues and Problems of the Small Colleges in the Seventies

Frederic W. Ness

In preparing these remarks I carefully chose a bright sunny morning on a lovely beach on Nantucket. To write about the immediate future of higher education, particularly the private sector and more particularly the small college, one needs some such setting as a counterweight to the prevailing gloom. Whether in this instance the gentleness of the natural setting will have provided an adequate tempering, you will have to judge for yourselves.

For, as some of you may have noticed, there is justification these days for only the most modest optimism as we peer, however myopically, into the decade ahead. And I must quickly add that your crystal ball is every bit as clear, or if you will, as murky, as mine. I could hope only that yours would be slightly more rosy. At any rate with a moderate degree of luck my less happy predictions will prove to be misguided and only the optimistic ones come true.

One other caveat before I get into the substance of my comments: as you will notice, I find it very difficult to distinguish in my own projections between the "small college" and the not-so-small college as I look ahead into the seventies. We often fail, I think, to appreciate our commonality when we focus upon our differentiation by type.

Yet, having said this let me go on to observe that one of your distinctive features may well provide at least some degree of spiritual salvation in the years ahead, if, that is, you play your cards right. Since you are all relatively small, and since you are, or think you are, independently controlled, you do not have to try to be all things to all people. And, as I shall hope to develop later, in this may well lie your survival. Our universities, even the private ones, and our larger colleges have responded traditionally to so varied a constituency that they have become three-ring circuses, so involute that one has difficulty determining what if any is the main show. Now that we know, on the authority of the Kerr-Carnegie Commission, that the junior college is to be the institution of the future for higher education, we can safely predict that it too will have to become all things to all people, with perhaps the few years between the AA diploma and the doctorate graciously excluded. Which suggests to me that your type of institution will have a viable future to the extent that it sees its mission as lying somewhere beyond the bounds of the more traditional senior college or university and our obstreperous newcomer at the junior level. And though I shall have more to say on this later, this concept underlies much of what I shall be saying in the interim.

Having served as a college president, I find it difficult not to think first and foremost in terms of financial exigencies. Thus—and in order to get this out of our way—let me hazard a few observations on the financial picture for the small colleges in the seventies. Quickly to the point, the best all-around, all-American term which would seem to me best to fit the situation is "rough." As if you didn't know!

I frankly see nothing fiscally cheerful in the immediate future. In Washington there is a singular lack of enthusiasm for supporting higher education generally, or private higher education in particular. We just *may* get action in this session of Congress on a higher education bill that will cover some of our priorities—but only, I fear, at the price of punitive riders that do violence to academic freedom and institutional autonomy. Come what may, I see little reason to believe that the Federal government is likely to bail out private higher education in the near future. (You might, incidentally, make the claim that since your type of college has been relatively peaceful, you should not be penalized by those who see campus turbulence as justifying a negative fiscal response. Unfortunately, however, I do not see Washington coping with this kind of subtlety—and how will the students behave on a given campus which makes such a claim?)

So far, therefore, as increased support from public sources is concerned, I see the trend moving from the Federal government to the individual states. And it is in this area where you must join with your sister institutions to assure more adequate over-all support as well as your fair share of the pie. You would be much better off, of course, if tuitions in the tax-supported institutions were raised to a truly competitive level. Now that all five of my daughters have graduated from college, I'd love to be proved wrong, but I just do not believe that

8.

tuition and fees between the public and private sectors will ever be made comparable. In particular, the costs to the student at the community college are likely to remain minimal. The tremendous social and educational problems which two-year institutions must bear so large a share in solving make virtually free tuition inevitable.

On the other hand I do foresee the possibility of some forms of graduated institutional grants as well as compensatory scholarship assistance which could tend to lessen the fiscal gap as the student reaches his own selection of institution; but this is still very much in the realm of speculation. Interestingly enough, the study which the AAC is making of the financial situation in private higher education suggests, in a very preliminary way, that the current operating deficit in many colleges may be roughly equivalent to the amount of scholarship assistance which the institution is providing out of its own resources. I need scarcely add that, if proven, this could have educational and social as well as fiscal significance.

A few colleges may well be able to continue increasing their fees. I can scarcely remember a time in my career when we didn't think that tuition had gone about as high as it could go. In a rising economy, of course, it can simply escalate with everything else. But I have never known a period when there seemed less likelihood that we could realize adequate income from tuition and fees than in the several years which lie ahead.

And for some of the same reasons, our colleges are not likely to find private philanthropy the solution to their ills. One still reads of million-dollar bonanzas, and there remain foundations which are not too gun-shy to provide generous supporting grants to colleges and universities. But for the next several years, pending the type of recovery which even the most "bullish" seem wary of predicting, the situation for massive private philanthropy is far from encouraging.

In all candor, though, I think your type of institution has a better chance of attracting new private money than many of the older and larger colleges and universities. I can say this with equanimity, of course, because I'm not in your position of having to raise it. You do have a particular appeal and should use it accordingly. Nevertheless—and I am tucking this statement inconspicuously at the end of this obscure paragraph—a number of private colleges will be going out of business within the decade of the seventies, unless some not-yet-evident *deus ex machina* should descend from the heavens. Appropriately, therefore, the remaining portions of my remarks are addressed to those of you most likely to survive.

Incidentally, a few private institutions—precious few—are busy creating their own *deos ex machina.* Perhaps one of the earliest and most notorious of these was when NYU acquired the Mueller Maccaroni Company. Since then a few colleges and universities have quietly and legally entered a great variety of business enterprises, some of them proving to be quite lucrative. I don't know, for example, how much Knox College makes out of its race track, but I'd place my bets on President Umbeck any day of the week. But what's good for the goose is good for the gander. Some businesses, I understand, are in the process of acquiring colleges—a movement which bears close watching. They would presumably not be interested if they couldn't run the enterprise at a profit. And if they can in fact do it, what are the implications for the rest of us?

One implication certainly, and this clearly lies ahead for the small college in the seventies, is the necessity for better management. As an administrator who came up through the academic ranks, I always believed that I had acquired a substantial degree of managerial know-how. A few weeks ago, however, I took a five-day intensive program for presidents, mostly from business and industry, conducted by the American Management Association. Let me observe merely that I felt at moments rather naive.

A college may be a peculiar kind of business, but it is a business and the sooner we realize it the better—and by *we* I particularly include the faculty. The tradition in the private college has long been that the administration assumes all of the fiscal worries. In more recent years the faculty has demanded a larger role in governance, ostensibly to improve the quality of institutional management but, more cynically viewed, to protect their prerogatives. As a result we have a situation now in many colleges where the president still has the full responsibility of achieving fiscal viability but without the decision-making power to accomplish that end. One result is that we are virtually the only major industry in the country whose costs have escalated while at the same time productivity has declined.

Thus I would make several predictions for the seventies, based primarily on the conviction that the wolf is *really* at our door. First, we are going to devote vastly more attention to management. The workshops held so successfully by CASC in the recent past will continue—I would hope in collaboration with such other associations as the AGB and the AAC. Although presidents will still be recruited from the most unimaginable places, they will very quickly have to acquire genuine managerial expertise or both they and their institutions will go down the drain.

Second, the professoriate will have to be drawn or driven into a more meaningful partnership in the management of the institution's resources, a partnership which implies accountability as well as authority. Budgets will be cooperatively established and will be open for public inspection. Faculty members with connections or know-how will play an increasing role in prospecting for additional funding for the institution, with possibly some kind of incentive program built into salary schedules.

Since, moreover, the major category in the operating budget is and will continue to be the instructional budget, the faculty will be forced to look seriously, and for the first time, at productivity. Some years ago I participated peripherally in an experimental program which was demonstrably sound on academic as well as fiscal grounds but which involved an entirely different concept of work load. It had only one serious drawback. The faculty at large opposed it. As one individual—an excellent teacher and scholar—expressed himself: "Why should I participate in this program? I like things as they are."

It takes no particular genius to predict that we cannot continue on a business-as-usual basis. We must and we will begin to incorporate into the learning process some of the knowledge we now possess about more effective and efficient teaching. The notion that a six-to-one student-faculty ratio, for example, is ideal is not supported by facts and is insupportable by dollars. The adoption of new teaching techniques based on old and new research is, I believe, vital to the survival of the small college—and maybe even to the large university as well. Similarly our school day and our school year are based upon obsolete assumptions having the most serious impact on the allocation of both human and physical resources.

We have known this, of course, for decades; Beardsley Ruml pointed it out to us in no uncertain terms years ago. Sidney Tickton has never stopped telling us. The question, then, is why we have done so little about it. And my answer is simply that we have not had to take it seriously over the long curve of a rising economy. The small college, during the period when there were only occasional shortages of students and no more than the customary shortage of dollars, was content to let the tax-supported institutions worry about accommodating the crush. And even where a president took the time to look ahead with concern about what might be around the corner, his was a rather solitary exercise. It is nonetheless axiomatic that productivity will not improve until its necessity is accepted by the faculty, whose salaries and perquisites dominate the budget. The time is now upon us, however, and our faculty colleagues can no longer shirk their responsibilities for balancing the budget.

The newest element in the picture is neither rising cost nor declining income. It is the overproduction of new faculty—and superficially this seems to offer some hope to the harried administrator. For many years we have pushed for higher salaries and lower teaching loads, not merely to ensure that the status of the profession would keep pace with the economy but in order to attract a greater number of more highly qualified young men and women to help us meet the expanding demand. In a real sense we have succeeded far beyond our expectations. Contrary to the belief of many of us—I confess my own early skepticism—Alan Cartter's predictions have proved to be only too sound.

But before any of us, remembering our past struggles to fill teaching positions, utter sighs of relief, I must remind you of a new trend in the offing, even though it may not reach your campuses for another half-dozen years. I refer to the growing move toward unionism which, despite the bullishness of this year's employment market, is a force which we will all have to reckon with. As one piece of evidence, in a recent survey by Anna Heiss of Berkeley, over 50 percent of the doctoral students in the leading graduate schools checked that they would join a teaching assistants' union if one were available on their campus. Will they change their views when they become full-fledged instructors? Will the oversupply of candidates work against unionism? Or will the protectionist impulse already firmly entrenched in the professoriate incline all the more toward the kind of job security which the unions promise? Whatever the answers to these questions, I would doubt that the small college can escape the consequences.

In any event, I predict with confidence that you will find a quite different kind of faculty member being recruited to your colleges in the years immediately ahead. I would not dwell on this at any length here, except to point out that much of the leadership in our present campus unrest, particularly at the large universities, is to be found among the younger faculty and among the graduate students who are preparing for teaching careers. (How they have the time arouses some interesting speculations!) But unless you know different sources for faculty recruitment than I do, the chances are good that you already have on your teaching staff a few deeply discontented individuals and that you are likely to have more in the years ahead. Their presence will bring about changes that are difficult at this time to anticipate. Let me add only that some of the changes will be for the good, which doesn't necessarily make them less traumatic.

The other changing human element, of course, will be the student. The indications which I have picked up in recent months from students themselves is that their younger brothers and sisters coming out of high school this year are vastly more politicized than the present college generation. They have most decidedly caught the spark and, with less maturity and possibly less reasonableness, they are eager to fan it into a flame. At one high school in the Washington area recently, for example, a group of striking students demanded a new student-faculty council which would make all decisions pertinent to the running of the school. Since this exercise could be expected to take a good bit of their time, moreover, they also demanded to be paid for their participation!

Again, this new awareness on the part of the student is not without its good side—difficult as it is for my generation at times to accept its inevitability. A great deal of what we have been doing in higher education is simply not germane to the needs of a changed and changing society. Our students know this full well, and they are less and less willing to be tolerant or complaisant. Thus the nature of our response is all-important. I would maintain, moreover, that administrators are generally more willing to respond positively and quickly than are their faculty colleagues. The latter may talk a good game but tend to pull back when some of their hard-gained prerogatives are challenged by the students. I think, for example, of the demands of some student groups to participate in decisions affecting faculty appointments, promotions, tenure, and the like. I would make the enlightened guess that the administration is much more likely to see merit in such involvement than is the faculty as a body.

There can be little doubt that students will play an increasing role in the decision-making process during the decade of the seventies. The problem, therefore, is to assure that their role is meaningful, efficient, and constructive. In theory the small college has a better opportunity than the large to experiment with ways of achieving those ends. On the other hand your very size would seem to make you all the more vulnerable to the efforts of the few who may seek control for purposes not directly related to the welfare of the institution. Thus you are likely to find this a matter of increasing concern in the years immediately ahead.

I fear there is little more I can say in this short space about the students whom you will confront in the seventies. There is even some question whether a man of my age can any longer understand the values and goals, let alone the actions, of someone their age. We will have to deal with them with scrupulous honesty. Further, we obviously will have to take them seriously, perhaps more than we have in the past. At the same time I have seen the senior members of some academic communities take the students so seriously as to abdicate their own responsibility as educators, thus in effect denying the validity of the whole academic process. Accordingly, I would repeat that the nature of your response will be all important in the maturation process of these new and rather baffling student generations.

I suspect that some of you may be already experiencing the phenomenon observed at many leading private universities of the growing division of their student body between the extremely well-to-do, who can afford the high costs of such an educational setting, and the economically underprivileged, who can command adequate financial assistance from many sources, including your budget. This situation is likely to grow worse. One if its side effects, of course, relates to the academic qualifications of the student body. Despite catalogue claims, the scholastic ability of the student in many private colleges is already below that in a number of state colleges and universities. I know of one midwestern state with a number of well known private institutions where the SAT averages are distinctly higher in the state-supported sector.

The question then becomes whether this trend can be reversed. If the small private colleges step up their recruiting activities, this adds to the administrative costs without any real assurance of results. (I would say, nevertheless, that few private colleges make an adequate investment in analyzing their markets or peddling their wares.) If they offer greater financial incentives, these too can be self-defeating. Similarly, efforts on the part of the average private college to compete with the tax-supported institutions in providing even quasi-luxurious surroundings or unusual educational facilities would seem to be almost anachronistic. Obviously a few can and will go on doing so. The majority cannot and should not. Many colleges are already overbuilt for the kind of future which we can now darkly perceive and are saddled with mortgage obligations that becloud any creative vision.

Is there, then, no hope for the private small college in the seventies?

Well, I wouldn't be here if I felt there were none. But equally I will not insult your intelligence by trying to paint a rosy picture. A decade ago I published an article in the *Saturday Review* under the title "The Perils of Lilliput," in which, like some far more eloquent voices of that day, I predicted the decline, even the demise, of the small private college unless certain conditions were met. So far as I can see the conditions have still not generally been met, and yet, I am glad to say, relatively few small private colleges have in the interim visibly declined. At that time there were still a considerable number of options open to the colleges. Today these options are far fewer. But I have learned something of a lesson both about predictions and about small colleges The former are amazingly unreliable; the latter possess an incredible vitality. I am moved, nevertheless, in bringing these remarks to a close to pick up the gist of my Lilliputian reflections and recast them somewhat in the light of the changing scene.

The small college has a future in the seventies, in some part because of its smallness. For example, you have been to date far less susceptible to campus violence than the large universities, a fact from which you should benefit but which you must exploit with infinite discretion. This will make you attractive to some students (or at least to some students' parents) and even to certain faculty who are interested in teaching rather than in immediate social reform. Also you will tend to be overlooked by those agitators who are interested in more fertile fields, with readier access to the national news media. But don't count too much on all of this. Lightening can strike anywhere.

In my article I asserted that the survival of the small college depended largely on its creativity. I have not changed that view and will return to it in a moment. I think now, however, that an absolute prerequisite even to creativity is the ability to think and to plan realistically and as a unified academic community. I continue to be a little cynical about the claims to natural superiority made by so many small private colleges. The difficulty is not that these claims may deceive the public but that they produce an internal myopia. You all know the traditional description of the dean as a man who must try to lend some truth to the public assertions of the president. Well, even if he succeeds, this surely is not good enough.

I would predict—and here I go again!—that the viability of your college in this decade will depend upon the degrees to which it can realistically assess its strengths and weaknesses in the light of realizable goals. And, for heaven's sake, drop the word "excellence" from your official vocabulary! Strive for excellence, by all means, but don't claim that you either have achieved it or have any unique expectation thereof by virtue of your smallness, your privateness, or your arcane insights.

You presumably realize by now that I believe your goals must be consistent with fiscal realities and that these must be clearly understood by and shared with students and faculty, both of whom have an interest and a responsibility in this area. As for the former, I vividly recall a confrontation in which I agreed with a group of minority students that I would seek private support for increased scholarship assistance. On the very day that I was able to announce the receipt of significant seed money to launch a campaign, they fomented a public display which effectively prevented my raising one additional dollar. As for the latter—the faculty—without repeating myself unnecessarily, I would urge that they be made to realize that they are just as responsible as the president or the trustees in guaranteeing the fiscal stability of the institution. After all, if it folds they too will be out of a job.

And now we are ready, or should be ready, for the creative ideas—and if anyone plans to take notes, forget it. My purpose is merely to offer some predictive generalizations, not to provide any ingenious, new, foundation-sure schemes. In actuality, however, a substantial number of creative programs are already floating around and are available for the netting. I myself, some years back, dreamed up a rather unique educational approach which would be appropriate for a small college, but left my position before it could be tried. You are more than welcome to it.

The point I wish to make is that the idea does not have to be unique unless, of course, you are seeking foundation or governmental subvention. It should, however, be one which is educationally exciting, which distinguishes your college from the other colleges and universities in your service area, which is likely to attract a certain type of student and faculty, and which is fiscally realizable. A further requirement—it must be the sort of idea which will not lock you in perpetuity. Life in the seventies and thereafter will be changing much too fast for anything like that. For instance, if it requires special facilities, the kind that cannot be readily converted to other purposes, you may well be condemning yourself to eventual rigor mortis. Finally, it must be an idea or a program which will preserve your status as a small college—providing, that is, you remain privately controlled. This will mean, of course, that you will continue to confront the dangers of being small, since the catastrophe of not being small is almost certain.

To me it seems axiomatic that you cannot afford, in the seventies, to be a pale imitation of the larger four-year private or tax-supported colleges to which the students in your market area could just as readily go. Thus you must eschew the broad market in favor of an appeal to a limited clientele which may be attracted to a particular academic design. Some of you have already achieved such distinctiveness. Many of the rest of you will discover comparable identities in the years immediately ahead.

It is virtually impossible for the tax-supported college to remain small. It is equally difficult, for many of the same reasons, for it to be different or distinctive. On the other hand, the small college can remain small and, for many of the same reasons, it can—in fact it must—achieve and preserve a distinctive identity based upon the creative academic idea. My prediction is that many if not most of you will move vigorously in that direction in the decade just begun.

This is a prediction made with hope and with considerable confidence. It follows upon predictions which were made earlier in this essay with less confidence. I am a man, however, who likes to control the odds; and so I will close these remarks with a whole string of supplementary predictions in the certainty that at least some of them are bound to come true. Here they are, just as they popped into my mind several weeks back while I was concentrating on not listening to a very dull address: They relate, but not exclusively, to the small college.

- Many private colleges will go public, go into bankruptcy, or be merged.
- Student-faculty confrontation will replace student-administration confrontation.
- Tax-supported colleges will be grouped into larger and larger units and will tend to lose their identities.
- Colleges will find it increasingly difficult to obtain funds for free-wheeling experimentation.
- Foundations will provide less, industry will provide more, support for private colleges.
- Industry will increasingly get into the education business, and profit-making colleges will increase in number.
- The liberal arts will tend to become more vocationally oriented.
- Faculties, and thus campuses, will become more politicized.
- More study will be conducted independently and off campus, with the college being a kind of study-guidance center.
- The curriculum will continue in most colleges to fall further behind changing realities and other types of institutions with greater flexibility will be created.
- The private colleges will become more involved in continuing education.

- The two-year public college will begin to receive a lion's share of public and even considerable private money.
- Private education will ultimately have no more than 12 percent of the total undergraduate student body.
- Undergraduate admission will become largely unselective and graduation virtually automatic in most colleges.
- Graduate schools and professions will rely largely on qualifying or certifying examinations for admission.
- Public agencies will assume far greater control than now over even private colleges.
- Recreation will vie with education as the leading service for a leisure society.
- Confrontation management will basically determine most major decisions on campus.
- Most colleges will have at least two presidents, one for outside relations, the other for internal management.
- Some small four-year colleges will become two-year junior or two-year senior colleges or technical schools.
- Tenure and academic freedom will come increasingly under attack.
- Unionism will increase and result in a growing we-they approach to governance.
- Students will be far less tolerant than now of poor instruction and antiquated curricular patterns.
- Federal funds will grow relatively scarcer for at least five years, while at the same time states will increase their aid to private colleges.
- Fewer campus buildings will be built and colleges will seek to get out of the motel business.
- Electronic teaching devices will continue to be used sparingly on college campuses despite their obvious benefits.
- Research activities will increasingly be diverted to independent organizations.
- Faculty performance will be evaluated more critically, even scientifically; even presidents will be periodically reviewed.

- Boards of Trustees will play an increasingly important role.
- Higher education, before the end of the seventies, will crawl painfully back to its rightful place as a top national priority.

Well, there you are, for what it is worth. If, as Robert Bridges once suggested, "wisdom is the masterful manipulation of the unforeseen," I would hope that you, in the days and years ahead in this decade of the seventies would be wise in manipulating the foreseen as well as the unforeseen. Perhaps these my buck-shot predictions will have provided some stimulus.

The Development Function in the Seventies

Arthur C. Frantzreb

The development function in the 1970s will be a test of the management skills of policy-making trustees, decision-making administrators and sales manager development officers to plan for and secure financial resources from constituents buffeted by new issues and new forces in our society, our economy and our educational system.

No longer can trustees and administrators test or expect development office proficiency to produce new and more dollars in isolation from what happens within the institution.

No longer can faculty 'do their own thing' expecting magic production of their own salaries from administrators and trustees in spite of all consequences of their actions.

No longer can alumni and friends reside in resplendent indifference withholding leadership and financial support because the old campus isn't what it used to be, forgetting that their generation went to the dogs before this generation did.

No longer can colleges afford publications, public relations, alumni relations and news bureaus which, under some flag of puritanical symbolism, remain aloof from action-oriented, financial and leadership response promotion.

No longer can development officers ignore personal and professional responsibilities to set and meet goals and to design hard-sell programs for annual, capital and deferred giving.

To achieve dollar goals and dollar needs for the seventies will require greater attention to the management requirements for success than heretofore experienced.

The words sales, goals, schedules, profits, market, testing, produc-

20

tivity and responsibility have been no-no's in the educational vocabulary too long. Not so in this decade.

The development function is no more and no less than a sales management function. There are very, very few development personnel who have the inclination, personality or capacity to be or to become salesmen much less sales managers. Yet any definition of their job must include all the technicalities, techniques and tenacity of sales managers.

In 1969, more than $17 billion were given by all sources—individuals, foundations and businesses—to all causes. Of these billions almost $16 billion were given by individuals through outright gifts and bequests. All education received 17 percent of the total, and people—individuals, not foundations, not business firms—gave the bulk of all funds given. These are the dimensions of the development officer's job at your college. How are you to get your fair share?

The development program for the seventies must be a thoroughly prepared plan based upon honest, open academic validity, realistic appraisal of philanthropic potential, concentration on major, large gift potential sources of support, careful strategy of conditioning and solicitation, and a sales management-sensitive development officer.

Perhaps the development function can be best described by means of a diagramatic formula.

$$\frac{A\ (B/S) + P\ (A/F) + N/O}{C + C^2 + P\ (R) + V} \times DP \left(\frac{B + S}{A + C + D}\right) (S/G) = \$\$$$

The formula symbols are:

A—authenticators
B—governing board
S—sponsors/council
P—plans
A—academic
F—financial
N—needs
O—opportunities

C—case
C^2—conditioning
P—prospects
R—research
V—volunteers

D P—development plan
B—budget
S—staff
A—annual
C—capital
D—deferred giving
S—schedule
G—goals

Let us examine in detail each of the elements of the formula in terms of what they mean to the development officer in planning and managing the selling of college needs and opportunities to constituents through a development program.

02 21

"A"—authenticators—are those individuals who, by reason of their presence and by reason of their responsibilities, say "this college is good; this college is doing its job; I believe in this college; I work for and give to this college; this college deserves to thrive and be in man's service." Authenticators who are trustees also have a legal responsibility to assure and to insure good management. Sponsors enlisted as volunteers to extend the arm of the trustees as volunteers in a development council or committee serve to further authenticate the purpose, service and need for continuity of the college.

What does the Board have to do with the development function? The very composition of the membership of the Board must serve to authenticate, to validate, to tell the constituents of the institution that members are respected and responsible leading citizens, carefully balanced, representative of economic, professional and other societal groupings. If the Board is not so constructed, then the development officer will find it difficult to stimulate non-board members to rally to the cause and needs of the college when its own board may not represent, inspire or motivate persons of greater influence and affluence. This very simple but tremendously important fact of human relationships goes back to an old principle that a fountain rises no higher than its source. There are rare exceptions.

American philanthropy is 'trustee inspired, volunteer centered and staff serviced.' Trustees must lead the way. The development program must be their program. The development officer must be their sales manager; the president, chief executive; then, as a team, the development program can begin to unfold. The extent to which authenticators are not up to leadership demands for the seventies, just to that extent will success of the development program fail to meet potential.

"P"—plans for the future are notoriously lacking in our colleges today even after a decade of talk about them and urgency for them. Long-range academic plans "A" and financial projections "F" must exist if the college is to convince any sophisticated donor that his assets will be best used at that college.

Whatever the development officer has to sell in terms of program, people, equipment, plant, faculty salaries, student aid, endowment should be based upon thoroughly studied academic requirements. These requirements should be converted to financial projections considering funds from all sources and documenting those additional resources required to meet operations, capital, and special program needs. Money cannot be raised in a vacuum. A college without such plans is operating in a vacuum. The experienced development officer will ascertain this before his employment and conclude the situation he is expected to manage is impossible before he starts.

But there is one more factor: the development officer should be involved in planning either as a team member or observer. The sales manager must know what he sells, the process, the priorities, the arguments, the resolutions of planning to better understand and communicate to the volunteer salesman and the college constituency the validity of his sales plan as rooted in sound academic and financial planning.

"N"—Out of the planning process will come the need for philanthropic support whether these needs are for annual budget, special capital needs, major capital needs, or endowment for stability and security. The needs should be woven into a total development program. Colleges should not falter in communicating total needs in order that constituents be aware of the full requirements for the future and as evidence of management preparation for the future. Priorities can be set according to pressure for needs to be met and/or potential for achievement. But hard experience has taught us that donors with substantial potential will consider their immediate and ultimate gift potential in terms of total needs of the college.

"O"—Gift opportunities are the pegs on which special interests are hung and gifts motivated. Unrestricted gifts are the president's dream, the business officer's soul and the development officer's zeal; but the donor has his own motivations. Gift opportunities should be diverse as to nature and amount of cost. Colleges have not adequately marketed all the possible gift opportunities which could be of assistance for budget or special needs. Some such opportunities are existing buildings, rooms and facilities; campus beautification and care; equipment obsolescence; library acquisitions; rare book funds; presidential office endowment; faculty assistance funds; publications; remodeling and modernization funds. The amount of the gift opportunity should reflect the value of the gift to the donor, not actual cost to the college.

These are above-the-line planning considerations of the formula. Below-the-line factors are implemented considerations.

"C"—The case is the sales story for the college. It should tell why a donor's dollar is best spent at the college and why it provides the greatest reward and satisfaction to him. It should also convey confidence that this is a wise investment in the college. The case should not be an historic document. It should be a warm, human, motivational statement of why the college exists, emphasizing its role in meeting significant social needs. It should offer proof of its utility and expectancy for greater achievement. It should tell and sell the institution so the reader is moved to act at his highest capacity. The case statement cannot be an academic treatise nor is it a doctoral thesis. It must be a *sales* document usable for both volunteer leadership enlistment and gift stimulation and action.

"C^2" connotes the urgency and necessity for continuous communication with prospects. Trustees, presidents, some volunteers and some development officers often race to ask a prospect for a gift only to find coolness and disappointment waiting.

Harold (Sy) Seymour, a dean of the art of philanthropic fund raising, outlined six points in a psychological sequence of success which are appropriate to recap here. This sequence of selling is paraphrased as follows:

Attention: The prospect must be aware of problems, opportunity, potential, quality, authentication, a plan of action, interest. After his attention is gained the prospect can be made aware of the diversity of programs, the diversity of people, the diversity of services in order to find his particular interest or concern at the particular institution.

Confidence: After his attention and interest have been piqued he must gain confidence in leadership, in management, in personnel, in services, in the students. The communication of confidence is a most difficult achievement because it is most intangible.

Conviction: The prospect must gain assurance as to the merits of the institution which has gained his attention, attracted his interest, and instilled confidence by proving the merits resulting to himself from his involvement and support.

Desire: The prospect's desire to be part of a program for future security and stability is most difficult to achieve. The prospect must *want* to be involved. He must *want* to have a financial part in achieving goals of quality, distinction, dollars or success. He must desire the personal satisfaction which comes from involvement and participation. The development officer's greatest task is to transform conviction to desire, then desire into action.

Action: This is the payoff—when a leadership prospect says that he will accept the chairmanship or membership. This is the test—when the prospect says that he will give to the extent of his capacity. This is when the prospect says that he has heard the sales story, he has become interested, he is confident of the merits of the institution, he is convinced that it must be maintained and sustained, and that he desires to help in its assurance of stability and security.

This is a point beyond which the cultivation of a prospect can be counterproductive. Individuals or organizations which are the object

24

of affection of the institution over a protracted period without being asked to do something can become suspicious, knowing well that he is being set up. If the request for action does not materialize at the right psychological time, his interest beyond that time can wane. Therefore, philanthropic planning and fund raising are an art in the study of people—prospect by prospect, project by project.

"P" is for prospects. Prospects for philanthropic support are all matriculants of the institution, parents and families of matriculants, friends, individuals in the community, church members, business organizations, private foundations, past and present faculty, past and present trustees, past and present staff.

"P (R)"—Prospect research is a critical part of the development officer's role in order that the human resources of time and talent and the financial resources represented in budgets be used wisely and to the highest possible productivity per man hour and per dollar spent. Therefore, thorough prospect research should result in determining from among all constituents those individual or organizational resources which have the capacity to produce the greatest results earliest and continuously. A rule of thumb long established, unscientific but proved through practice, indicates that 10 percent of the constituency can be expected to be above-average donors. This average may be $100 for annual giving or $1000 for capital giving. It is very important to determine who the 10 percent are to which thorough study must be given as bona fide candidates for substantial gifts.

There is one additional rule of thumb which says that one percent of the constituency can be expected to be prospects for very substantial gifts. These may be the individuals or organizations who unknowingly or knowingly hold within their hearts and hands the capacity to assure the stability and security of the institution's future.

Dr. W. Emerson Reck of Wittenberg University wrote in a public relations text many years ago that every college president should determine early in his administration those 100 individuals whose support can make the difference in the survival of the institution. How many college and university presidents or headmasters of secondary schools, or administrators of hospitals know their 100 special prospects? Yet, there exists a blind belief that some large number of individuals at the sound of the clarion call will come forward and cause a continuing ringing of the development officer's cash register. Not so. Successful philanthropy is engineered using all the resource mechanics possible with the understanding that in the final analysis the prospect's readiness and capacity must be carefully studied, strategically and logically, for the best possible results for the institution and the greatest personal satisfaction of the donor.

"V"—Volunteers are the front line salesmen for the development officer. Trustees (authenticators) must lead the way, set the pace, set the tone, lead first and give first. Then other volunteers who are carefully selected, trained and conditioned to be salesmen for the institution carry the message and bring home the results under the tutelage and assistance of the development sales officer. Here the test of the development officer is in his teaching ability as a sales manager to train, inspire, assist and prepare the way for volunteers. The sophisticated development officer will enlist no more volunteers than his administrative staff can handle. One learns early in this business that happy, productive volunteers are directly proportionate to the staff service they receive. Individuals who promise to give of their time and of their assets first can become ineffective if they are not well handled continuously. And volunteers are susceptible to a philanthropic disease known as 'campaign fatigue'; people can become tired and worn out. Volunteers who are tried and true are needed, but institutions today should look also for new leadership, new volunteers, fresh approaches, new vigor to carry out new plans to meet new forces and new issues in a new decade for new national and societal needs.

All of these factors can now be woven into a development plan; and there must be a development plan just as there must be an academic plan, just as there must be a financial plan, just as there must be a master plan for the institution.

"D P"—The development plan is a sales plan. Taking into consideration all the formula elements, the development plan is a design to get people to give of their time and assets, to insure stability and security of the college—not just to meet needs. "B" is a reminder that budget costs must be considered an investment which should achieve maximum levels of productivity in three to five years. Usually more than one staff "S" member is required for realizing full potential. Relations may include alumni and public relations specialists. Fund-raising personnel may include annual giving and deferred giving specialists. In terms of back-up personnel the most indispensable person should be the Records and Research supervisor who is the R and R department for all prospect information.

"A"—Annual giving is the backbone of all development operations. Emphasis in the seventies will be on the special, large-gift donor. These may constitute 10 percent of the college constituency. The mass solicitations will become more and more infrequent due to low dollar productivity and increasing cost of mailing and even mass solicitation. Greater funds will come from fewer sources, challenging the capacity of the development officer and administration alike.

"C"—Capital funds for plant and related needs also will come from few resources—not, repeat not, mass solicitations. Sophisticated colleges with advanced programs installed and established will undertake intensive programs among their constituents for public relations and prospect research purposes. Here fund raising will be incidental. Costs then will be related to public relations, image building or sales requirements.

Capital funds will be related to "D" deferred gift programs whereby the various techniques and devices of postponed giving will be of maximum benefit to the college and donor alike for current needs as well as endowment.

Withal, the development program must have schedules "S" and goals "G." It is the human condition that people just simply will not work unless deadlines of time and goal objectives are set and adhered to. Great plans and urgent needs falter and go unmet because weak administrators do not or cannot set goals for themselves or others.

The diagrammatic formula sets forth all the prerequisite factors, features and techniques for a development program. It does not provide for common sense or executive judgment. It does not provide for experience or use of counsel. It does not provide for reason, patience, persistence, understanding. These are special characteristics of the heart and mind which must exist in generous proportion in the human equation.

The development program is a sales program whereby the college makes it possible for people to do what they would really like to do when they know where, how, when and why.

Withal, the above having been said, one quotation given over twenty-one years ago is an appropriate summary. Its author is unknown. Its validity is proven.

> "Fund raising is a series of disappointments
> sprinkled with a few brilliant successes,
> most of which were unexpected."

Leadership for the Development Program

R. Miller Upton

I have been very interested in CASC ever since its founding. I'm a strong advocate of the principle of diversity in American higher education, a quality which is so often given attention to, sometimes, I'm afraid, only given lip service to in terms of our public policy. I most prefer to refer to the need as one of preserving a multiplicity of centers of initiative in education. This explains why I was so much in favor of the founding of CASC at the time and have been interested in its program ever since. It also helps explain why, when Dr. Voskuyl asked me to participate in the program this year, I was very anxious to do so.

I had my fingers crossed when I had to explain one problem that I had. As Dr. Hummel has already indicated, at Beloit we operate on a full, year-round program, so that we are fully underway at the present time. Since I already had some outside commitments which involve some writing, I would not have been able to take this assignment on if I had had to prepare a written speech in advance. He therefore agreed to let me participate with you this afternoon with the understanding that my remarks would be taped. I have also just entered into another agreement with Mr. Witter that these remarks would be prepared by the staff and made available to you by the end of the week without prior editing on my part.

If any of you have gone through the experience of making a speech and having an unedited transcription come back for your editing you know how terrible the transcription usually is, not because of the fault of any transcriber but, in my case anyhow, the fault of the speaker. I never realized how much I repeat and how poor my grammar is and how clumsy my manner of speaking is until I had some of these unedited transcriptions come back; so all I ask, in order to accommodate the time schedule, and considering you as members of the fraternity, as it were, of administration in higher education, is your complete indulgence of my seeming unrehearsed remarks.

The essential thesis of what I want to say today is that the president of any college and university is inescapably the principal fund raiser of that institution. Later on I hope to develop the role of the president in somewhat greater detail, the role of the board of trustees as I see it, and the role of the development officer. But the key point is, to repeat, that the president is inescapably the chief fund raiser. Because I feel so strongly this way, I have over the years been substantially annoyed—maybe I shouldn't say annoyed, but at least made to feel incredulous—when I hear a person who has just been appointed president of an institution say, "Yes, I have accepted the grave burdens" (and I am overdoing it a bit) "of this position with an understanding from the board that I will not be involved in fund raising." Now all I say is, "How stupid can one be?" At least, to be more polite, how naive can one be? How can one have been successful—and most of us have come up through the academic chain if you will—how can one have been involved in the academic life in its varied complexities to the point where he is fingered to take on the chief executive role and still be under the naive impression that he won't be responsible for the development of the resources of the institution of which he is the head? As a matter of fact, how can anybody feel so unrelated to, so uninspired by the institution that he doesn't see himself as the one primarily responsible for the resource development of that institution?

A somewhat similar kind of expression that annoys me, or, as I say, leaves me incredulous, is when a recently resigned president is interviewed by a member of the press to find out why he resigned, and he says —and you've all seen it—"Because I didn't realize that my scholarship would be so impaired by the onerous duties of fund raising." As though fund raising is not only a nasty word but a nasty occupation!

The third kind of statement that I sometimes hear from presidents that leaves me amazed is when they say, "I don't know why the development director is not working out too well. He's not really getting out and raising money the way I had expected him to." As though you can pass the buck to someone else for getting out and actually in some mystical way raising money.

Now there are—we're all aware of them—accidental events that occur in the life of every college whereby the windfall, I suppose, can be accounted for only in some mystical way, or the gift can be accounted for only as a windfall which has not really resulted from anything the then president did or the development officer did. So I feel that I cannot give any help or suggestions with regard to handling these windfalls. All I can hope to speak to is the ongoing gift program that is a resource development program but is directly related to the efforts of the president.

Well now, if I feel this way, how do I see the role of the president in general? To begin with, I see one major responsibility: that of creating the organization—the functional organization and the staff for carrying on the important day-to-day operation of the institution. Let me amplify that statement by a couple of experiences I've had. I once heard the dean of the Harvard Graduate School of Business define administration as getting the world's work done by, with, and through people. This appealed to me greatly because it emphasized the coordinating aspect of the job in terms of getting things done through people—by, with and through people. This is a major aspect of administration. On the other hand, I previously came across a definition while taking a course in social work administration that also appealed to me. It was much briefer. In effect, administration is creative coordination. I put the two together and I come up with the following definition of administration: the creative coordination of human effort to achieve a particular end. I hope it emphasizes various aspects of the two. Most importantly, it emphasizes the fact that administration is a creative, artistic undertaking. As a matter of fact, I've said publicly before and I'll say it again: I challenge anybody to come up with any human activity that is more demanding of creative talent and creative ability than administration, real administration. And I distinguish substantially between administration and management. Management may or may not involve much creative or imaginative ability in carrying on the work of day-to-day operations. But administration, the coordinating aspects of it, is, I believe, the most demanding of any creative human enterprise.

Another experience I had was when I was dean of the School of Business Administration at Washington University in St. Louis. We had a program in the area of business policy whereby we secured the cooperation of the Ralston Purina Company. Our senior students in the business policy course would meet with the chief executives of Ralston Purina, and they would meet with us; and it was a very good exercise in both the strictly academic and the practical.

Ralston Purina, as you may or may not know, was founded by a man by the name of W. C. Danforth (who has since died but was living at the time) who had distinguished himself not only in the business field but also as a public speaker. A fairly small man who at this time was in his seventies. He was Chairman of the Board but not the chief executive officer, but was still vitally interested, of course, in the company. He was also vitally interested in education. He frequently made reference to the single person in his life who he claimed had most to do with his success—an elementary school teacher, a man. It should be recalled that Mr. Danforth came out of the Ozark hills to go to school and was not too well dressed nor too well fed and apparently early in Mr. Danforth's elementary school career this young teacher took him aside one time after class and said, "Bill, you're a mess." He proceeded to give him individual help from then on; and with that background you can see why such a successful man had such a love for the role of the teacher and education.

But at this one time during the conduct of the course in business policy the class was being held in the offices of the Ralston Purina Company and there was a vice president of one of the divisions speaking to it. Mr. Danforth had introduced him; and when he got through, Mr. Danforth stood up and with his proper use of dramatic pause waited a while and said, "Isn't it fantastic how much that man knows? I was just spellbound by his presentation, by his knowledge of the facts of that part of the business. You know that man knows so much more about that branch of the business than I know, or really than I could ever know. He's just a real expert." Then a long pause. The students were very quiet. Then he continued in deliberate tones: "But I hired him."

Now I think the same concept applies to any president, whether it be in a profit or non-profit organization, who has to make sure that his enterprise functions and achieves its ends most effectively. He has to create the organizational structure—the organization required for the desired end to be realized. But most importantly of all, he has to make sure he has the staff which has the expertise far greater than he can ever have in individual specialized areas; and then it's the blending and coordination of that diverse expertise that is so essential for the ongoing success of the institution. That's one of the roles of being a president.

The other role of the president is to be the professional leader—the professional, educational head to provide that leadership that is related to basic plans and hopes and aspirations all necessarily related to some personal philosophy of education. In other words, I can't see a real president, one who is basically responsible for his institution, thinking that his role is complete if he just has a happy ship. His principal responsibility is to make sure that the ship is moving and moving in the right direction in terms of the basic objectives of that institution, objectives which the President does not merely inherit or accept, but objectives which he helped influence because he himself is so committed not only to his type of institution but to education in general in terms of his own basic educational philosophy. And this again spells out to me the basic difference between an administrator and a manager.

Although any of these pat phrases and statements can be overdone I still think there is something to the idea that the manager is concerned with the problems of the day, the happy ship idea, again making sure that the ship is functioning properly. The administrator, on the other hand, not only is responsible for that from a general supervisory standpoint but, more importantly, is concerned with the problems of the future. And here is where the whole function of planning and philosophy comes together. Finally, I hope you are able to see more clearly now the basis for my original thesis: if the president is responsible for the ongoing ship and is responsible for charting the path and planning ahead and trying to achieve certain goals, and (if I'm going to be stuck with the metaphor) getting to his port—the basic, philosophical port that he has in mind—he has to be concerned—not reluctantly but enthusiastically—with the resources that are necessary to keep the ship afloat and to keep the fuel flowing so that he can get there. He has to be concerned with resource development. He is the development officer, the chief development officer; he *is* the chief fund raiser, if you will. Inescapably! If he's not going to be interested in such, if he's not going to give basic attention to this facet, why is anybody going to be interested in giving to the program or to the institution? If the chief executive officer is not interested in fund development, why is any outsider going to be interested in fund giving?

Where does this leave us with regard to the role of the board of trustees? Fifteen years ago I came across a little pamphlet. I looked in your bibliography and I see it's not there and I don't know if it's still in print, but this pamphlet meant so much to me when I was first taking over at Beloit that I sent copies to every member of the board at the time. I would urge that you see it if there are still copies available. It was an article written by Paul Davis, the institutional college consultant, entitled, *Greater To Be Valued Than Gold*. Of course, what he is talking about is the board of trustees. He testifies that out of his experience at that time he had reached a substantial change in terms of his feeling and understanding as to what was the most essential element of a college or university if it was to grow. Now that is the basic *if—if it was to grow*. He said that he had always gone along with everybody else with the statement that the quality of an educational institution was directly related to the quality of its faculty. This undoubtedly still is true with reference to any one point of time, although it is being challenged now in terms of the quality being determined by the student body and the environment. But nonetheless this has been the accepted formula. He says that, when he started making a check as to what was the common denominator for those institutions which had *changed* most in quality over a given period of years and which had grown most effectively, he found that the common denominator was a strong board of trustees. And so he had come to feel in his later life that the key factor is the quality of the board of trustees.

Having said that, of course, there are but two caveats. One is that you don't get a strong board of trustees, even in the area of development, by simply looking for people with wealth. I've known quite a few people of wealth on boards of trustees who have been wonderful members of the board. It's no detriment necessarily, but there is too much attention, I think, to trying to build a strong board of trustees only in terms of bringing on people of wealth. You don't build a strong board, either in terms of building the institution or building the resources, simply by being concerned with people of wealth.

The other thing of course is that the board of trustees is strategic in the development of an organization or college. This does not mean that they get into administration, because if you have a president of the kind I've described and you get a board of trustees that is going to bypass him and get into administration, you really are going to have a clash. Which gets then to the point of interrelationship of the two.

I very, very much like the term—the board of trustees. I don't know how many of you have recognized the difference between the term *board of trustees* and the term *board of directors* or why there should be a different term. Both represent responsibility for the corporation that has been established by the sovereign power, in our set-up, the individual state. For the non-profit, public-service institution such as we represent, the trustee is in fact a trustee to that sovereign power; he is a trustee to the people. He accepts a public trust to achieve through this corporation the public-service end of the institution. Now, can an individual trustee or the collective group of trustees achieve this end on their own? Of course not. They come, as they should, from all walks of life. The board of trustees should represent a true cross section of society. But we often fall far short of this goal when we should come as close to it as possible, because we are serving the total—the total society.

In order to carry out most successfully the trust to which they have committed themselves the trustees hire a professional agent. I don't know how many presidents in the room would be willing to define themselves as professional agents, but this is the way I define myself and my relationship to the board of trustees at Beloit College. (Incidentally, the legal name of Beloit College is The Board of Trustees of Beloit College. *Beloit College* is simply a condensation of the full legal title.) College presidents, as I see them, are hired by the board of trustees to achieve the public responsibility, the public trust, that the board has accepted in operating under the charter of whatever sovereign power it may be.

In this regard I'd like to emphasize that I don't see the president as a figurehead, as is too often suggested. I feel the president has substantial potential authority for carrying out his mission. But he must be acutely aware of both his mission and the source of his authority. If the president sees himself as merely an operations manager rather than the professional agent of the trustees, then the prestige associated with the job really means nothing more than a figurehead.

At the same time I do not see the president as in any sense a king, as some would suggest, and as some among the young element would particularly believe, a sort of despotic ruler. If a president, any president, gets too far away from his source of authority, the board of trustees, then he's had it. It may be quick or it may be long, but he's had it. He'll become ineffective. He must not allow himself to drift too far away; he must work constantly with the board of trustees. But most importantly, he must educate the board of trustees to this kind of concept if it is not already held and really get the individual trustees involved, involved to the point where they see what the institution is all about. They must come to share his enthusiasm, his excitement, his educational goals as he represents the institution at the time; and then they share his responsibility for getting the resources. Then, of course, the Board of Trustees becomes key, not the only key, but key to resource development. But this is far, far from being their only responsibility, as is too often suggested.

We have long ago, I think, moved away from the tin-cup approach to fund raising. I'm not trying to ridicule anything at this point, because I am aware of resource development at Beloit—resources that I am happy to take advantage of now—which resulted in this fashion. Not only the tin cup approach but also the let's-get-down-on-our-knees-and-

34

pray-together approach. I think both served their purpose well in the past, but I don't think they are going to be very successful at the present time or in the future. So the board of trustees must be a part of the institution; they must not be allowed to think that just because they hired you, now you bear all the burden and you sink or swim with it. In other words, you can neither get too far away from your source of authority nor let your source of authority get too far away from you by indifference. And so the matter of involvement and participation is key.

Now this is a dangerous game, a very dangerous game to play because of what immediately follows from involvement and participation—decision making. If you are going to get the trustees to the point where they do become effective in helping you develop the institution by involvement and participation, you must take care to let them know that you are their professional agent and therefore they do not make administrative decisions. You make the administrative decisions and you bring to them recommendations with regard to policy change or policy position. I'm sure it can be done but it's a dangerous game to play.

Now in all of this, what is the relationship of the development director or the vice president for development as I see it? For one thing, the development officer is responsible for providing the organization for the flow of funds into the institution in connection with the ongoing operation. Call it the annual gift program, if you will. I don't think the president should be very involved in this. The president must maintain his contact with the alumni; he must be selling the institution, selling education to the alumni as he is selling the institution, selling education to the trustees; but beyond that, the current fund, the annual giving program should not become a burden to him. So his relationship there is one, as I see it, of general supervisory responsibility, making sure the development officer is doing a good job in organizing causes and building staff himself for this and in each year increasing the take. I think this is an awfully important function and I don't want to minimize it. If the development director or officer is successful in this one task, you've got an awfully good development officer.

But having said that, I would say his most important responsibility is that of helping the president and, through the president, helping members of the board of trustees to raise the major funds, the capital gifts. This is why, you see, I react so adversely to the criticism by a president that the development director isn't getting out and raising money. He can't and he shouldn't. He's wasting his time. He should be building organization for you; he should be researching the alumni, researching your constituencies; finding out those real possibilities and not relying on historical accidents, not relying on the windfall; and then making it possible for you to secure the major support.

I hate to raise money. I really do. I hate to solicit funds, but I would like to share one bit of advice I received (I'm digressing a bit) from an old pro in my second year at Beloit. We were attending a conference like this. He had been very successful, more successful than I have been in my time in fund raising. He said, "Miller, you'll never raise one red cent unless you ask for it." A few years later I found that advice to be so absolutely true. Our library was funded entirely either directly by trustees or by trustee-related donors. The man who really made the whole project successful in terms of a challenge grant is the man I'll always hold out in my experience as the ideal trustee. Not only was he an ideal trustee; he was also an ideal human being, and yet he never volunteered financial help until I called on him. When I did he applauded me for doing so. He said that he would never have given to anybody else and that I, in turn, ought to call on all the other trustees myself. Now, if there was ever a man who, it seemed to me, would have volunteered money because of his interest in education and because of his interest in Beloit, it was this man; and yet even he did not do so. I had to ask him; I had to ask him for specific help. So the principal responsibility, it seems to me, of the development director is to provide the research, the organization, the help; to be sensitive to the individual president's idiosyncracies, to help him raise money. The other related responsibility, as I see it, is to work with the president regularly in building strategy, meeting with him frequently and regularly in talking over individual situations and in building strategy—organizational strategy and individual approach strategy.

And the final responsibility—and maybe I've already indicated this strongly enough, but I feel it so strongly I'm going to say it again—the final responsibility of the development director is to be a constant goad to the president. If the development director doesn't get the president mad from time-to-time he's not a good development director. And by "getting him mad" I mean by constantly coming up with ideas: "You ought to be calling on this guy. Let's sit down and figure out how we are going to get this man. Have you visited so and so lately? What have you done with the trustees lately?" Sometimes I feel like giving the heave to my development director because he gets on my conscience so. But if the development director is not annoying you in terms of his responsibility he is not doing a good job.

Let me give a quick summation of what I've tried to say. If we are going to develop our institutions as we must in order to preserve the high quality of American higher education—which is built on one thing primarily and that's its diversity, its multiplicity of centers of initiative, which permits of competition, which permits of experimentation, which permits of a variety of approaches—if we are going to be faithful to our responsibilities in building our separate and individual institutions and thereby contributing to the full realization of the qualitative aspects of American higher education, we must as individual presidents accept full and primary responsibility for resource development. We must do this because we are the chief executive officer of the institution; we are the institution in both a legal and symbolic sense. Surely, the trustees delegate to the faculty responsibility for the curriculum, the day-to-day curriculum—not curricular changes that change the institution, because this involves the board of trustees since it is responsible to the people of the state. But with all of the separate delegations the president is ultimately responsible for the institution. And how can he be successful in this responsibility if he does not accept, *as a primary responsibility,* resource development. In doing this he has to involve the board of trustees. He has to make the trustees aware of their important role, their important commitment to the institution; he has to try to generate within them enthusiasm and excitement. They have to be partners with him in this massive undertaking. And finally the president needs an expert staff—somebody and some people who are far better than he in the area of development. I could never be a good development officer myself, but in the pattern of Mr. Danforth I can hire one. And hire one I must in order to help me and help the trustees achieve the ultimate end of the institution. And in the final analysis, the only way a development officer can help me or any other president is by exercising his expertise in helping us be successful as fund raisers.

37
38

Address

The Honorable Paul Simon

It is a pleasure to be here to join Dr. Rackham, the president of McKendree College of which I have the privilege of serving as a trustee. Charles Daley is also a member of the board of trustees. He is a more active member of the board of trustees than Paul Simon is, and I think represents the kind of trustee that every college would want. My friend, Carrol Hall, a member of the board of trustees at Eureka College, also is in the audience tonight.

You may wonder how it works to have a governor of one party and a lieutenant governor of another. I am pleased to say that the governor and I get along very well. We differ on some issues and differ rather strenuously at times, and this usually occupies the attention of the media when they are commenting on our working relationship. Whenever the governor is out of the state, the lieutenant governor serves as governor. And the governor is out of the state about one day out of every five. He will be gone four days next week. I will not be firing the cabinet. I will not be filling various appointments. Perhaps the most dramatic illustration occurred about a year ago following the death of Senator Dirksen. The governor was out of the state for two days and I could have appointed a United States Senator. It did occur to me.

I was pleased to have that generous introduction by President Langston. In public life I have learned that you are never sure what kind of an introduction you are going to receive. I recall a few years ago speaking to a women's convention in the southern part of the state about one of the books I had written. The president of the group was a little nervous about introducing me. In describing my book she said it's the kind of book once you put it down you can't pick it up. She described me as the son of a Lutheran minister and I note that this is a very ecumenical gathering here tonight. It's good to see in the audience nuns that I can still recognize as nuns. I really knew that the ecumenical movement was moving forward following Vatican II. But about two years ago we had our 150th anniversary as a state. In honoring the state the stamp issued pictured in its design the oldest post office in Illinois at Shawneetown, down in deep southern Illinois. We had a luncheon there at which I spoke and the gentleman who has written two of the verses of the Illinois song was there with his guitar to lead us in singing. Our luncheon was in St. Mary's Church Hall and I was sitting next to Father Stallings. One of the songs was, "I'm a Methodist 'til I Die," and there I was sitting next to Father Stallings, both of us singing out in the St. Mary's Church Hall, "I'm a Methodist 'till I Die". I knew then that things were moving in the right direction.

I am pleased to be here tonight for several reasons. One is because two of my college years were at Dana College at Blair, Nebraska, a small college which fits into your category. Perhaps 400 students were enrolled when I was there. It now has approximately doubled its enrollment. I am on the board of McKendree College and I have had the chance to visit many of your schools at least in Illinois, and I appreciate the contribution that you are making.

A second reason that I am interested and would like to encourage you is that the more people we can get to attend the Eureka Colleges and the McKendree Colleges, the more money we are going to save for the State of Illinois. So there is a very practical reason why those of us who are in state government should want to encourage the small private college.

I think that there is a third reason that should be made known. It has to be done delicately, but there is a problem with size when we are talking about the kind of confrontations that are part of the academic scene today.

Following Cambodia and Kent State I called or invited the student leaders from the 13 largest universities in the state to my apartment in Springfield. Thirty-three students came and we sat around the living room floor. I largely listened for about three hours. Perhaps the most striking thing about the whole meeting was that in three hours, Cambodia was not mentioned. But one of the things that became very clear was that size, in and of itself, aggravates some of the problems that we are facing. I am not suggesting that the large university cannot give a quality education. I do think that one of the problems is that students understandably want to feel that they have a voice in college and university policy. When the university becomes above a certain size the student frequently feels that he has absolutely no voice. That he is in a sense a cipher on that campus.

This whole question of size and density, I think, goes beyond the university. I don't often accept out-of-state speaking engagements. I did, about four or five months ago, accept an invitation to be a politician-in-residence for one week at Hunter College in New York City. One thing was clear to me while I was on the Hunter College campus. That is, when you speak about relationships to government as a resident of New York City, you have the same problems that you have when you live in Chicago or Peoria, but the feeling that government is remote is intensified.

I think we have to make some real difficult decisions in the months and years ahead about the size of our institutions of higher education. There is no question but that the small institution offers something to our society that the large university cannot offer. I don't mean any disrespect to the leadership being offered in our large universities when I suggest that.

I am also aware of financial problems, and I would guess that before the week is over money will be mentioned here—the financial problems that you are facing.

Perhaps as good a summary of the situation faced by many colleges is made in a letter that I received recently following an article in the newspaper which reported that I urged strongly the governor to support the bill for aid to the private colleges. The Executive Vice President for Caterpillar Tractor Company, Mr. Lee Morgan, wrote the letter. I don't think he would mind my reading it.

"The attached article appeared in the Sunday edition of the PEORIA JOURNAL STAR. The article hit squarely at a most important problem which is emphasized in my mind as a result of a weekend activity. I have just returned from Monmouth, Illinois, where the board of Monmouth College, which I am privileged to serve as chairman, was in session this past Saturday and Sunday. I observe that the affairs of that institution have been handled well by those charged with the administration of the school. There has been a real cost-conscious approach to the financial management. In spite of this, quality of the faculty and of the facilities have been upgraded in order to maintain a reasonable standard of educational program. At the same time the trustees have set the amounts of tuition and other fees with great care and with an awareness of the increasing cost. For the coming academic year tuition, room and board and other incidental fees will total $3,400. At our most recent meeting it was determined that these items will be priced at $3,600 for the 1971-72 school year. In spite of this rather bold policy of fee administration, Monmouth has incurred a $150,000 deficit in 1969-70 and we are budgeted for a deficit of $350,000 in 1970-71. The deficit in 1968-69 was $35,000. For several years prior to this a surplus was earned. Every single one of the 11 schools which are members of the Associated Colleges of the Midwest incurred a deficit in 1969-70. These losses range from $60,000 to $1.4 million. The median of the 11 deficits is $200,000. In addition, Bradley University, located in Peoria, incurred a deficit of approximately $250,000 for the recently completed academic year.

"As a consequence of the above there is great urgency in finding a formula for state support if the benefits, which were described so well by your commencement address to the graduating class at McCormick Junior College, are to be preserved. Financial problems have been a hallmark of the private college. However, the combined impact of inflation, of higher faculty wages and of the widening gap in tuition cost between private and state schools, is creating conditions which in my view, will see the end of many of the private schools in this state within the next five years.

"I was told on Sunday, that following the 1970-71 year Monticello College at Alton, Illinois, will be phased out as a private school and will become state supported. (And that is the case.) Only those schools which have exceptionally large endowments will be able to withstand the financial pressures without state support."

Well, that's the picture. I am sure many of you who are here could paint the picture much more vividly for your own school. There are probably those of you who are here, particularly your national executive director, who can provide more information, but my guess is that substantial federal assistance is not likely in the immediate future. I do believe that state assistance is a possibility and that state assistance makes sense, both for your college and for the state in which you live. Unless there is state aid in the State of Illinois, and I have taken some time to look at some financial figures for a number of the colleges, my guess is that we may see as many as one-third of the private colleges in the State of Illinois phased out by the end of this decade. The end result of that would be an additional massive infusion of state funds into state colleges and universities, which would be extremely costly for us. Therefore, from a dollars-and-cents point of view, we are much better off paying McKendree College and Eureka College and the other colleges in this state a certain amount of money less per capita than it would cost us to educate a student at the University of Illinois, or Southern Illinois University or our other state schools.

We have a proposal in Illinois that I hope very soon can pass. It was referred to by President Langston. It is a $14,000,000 appropriation that would mean a great deal, I think, both to the State and to the private colleges.

There are problems—problems that I think are probably common problems in all our states. First, the political climate is such that it may not be the most popular thing for your legislators and for your governor to provide aid to colleges. I have not had the chance to discuss this particular proposal with the governor here in Illinois. He has many demands on the budget, and I suppose realistically the political climate is one of the considerations when making a determination of what the priorities are. I don't sense that in the immediate future the public climate for additional funds for higher education is going to change appreciably. I think that means that you have your work cut out for you in whatever state you live. If you were a member of the legislature or if you were the governor of the state and you wanted to make votes, just be practical, would you make more votes or lose more votes by saying, "Let's not throw too much money down the drain by spending it on higher education"? There may not be a lot of logic to this, but I think it is one of the political realities of this particular period.

Second, of course, is the economic situation. States are suffering along with other governmental units with what we hope is the temporary decline in the economy. In addition, the demands on state governments are constantly going up. What I am suggesting is that you are moving in with one more demand. Now there is a difference in your demand. What you are suggesting is that by spending $1 here you are going to save $1.50 or $2.00 somewhere else. It is going to take effective work on your part to sell that argument, because virtually every new program that comes before the legislature is going to save money. But somehow it always works out that the budget keeps climbing and climbing. I think money for private higher education will save money. But you have a selling job to do.

There is a third thing those of us in state government must consider that may not meet with complete approval by this audience. I think that we have to be looking at the long-range picture and I am not sure that, if I were to draft a bill in the State of Illinois exactly as I would like to see it, it would be the outright grant as we have it right now. I am willing to go ahead on this and I am eager to have it passed and signed. But soon, I think, we have to be looking at the long-range picture. I was talking to President Langston and he said under the proposed bill Eureka College would receive roughly $100,000. Suppose we would say to Eureka College, here is $100,000 given to you on the basis of the number of Illinois students you are educating; you will be eligible for up to $100,000 provided you increase your endowment by at least $100,000. If you increase your endowment by $80,000 you only get $80,000 for general expenses. In ten years, this would mean that Eureka College's endowment would be increased by approximately $1,000,000. Assuming a 6 percent return, that means $60,000 in additional income for the college. Over the long haul measured in decades—and we are talking here of a school that has existed 122 years—this, it seems to me, ultimately has to be the salvation of the smaller college. That salvation is substantial endowment programs.

I am not suggesting that this is precisely the formula that ought to be worked out. I do suggest that there are going to be at least some of us in state government who will want to see more than just $60,000, or $100,000 or $200,000 put into an ongoing program. We would like to see the long-range stability of the college improved. This is not then aid with no strings attached but I think it is a string that makes some sense. There are, understandably, people in state government and sometimes people in private colleges who would sooner build new buildings than increase endowments, since we all like to see tangibly the results of our efforts. Obviously, buildings are a part of growth. They are a part of growth here at Eureka, they are a part of growth at McKendree and at your school. But I think we have to be looking beyond that. I also urge, and say this just as a member of the board of trustees and not as a state official, that we have to be looking more and more to individuals who are not going to be donating money for a dormitory, or a chapel or a library or something in their name, but who will be strengthening endowments.

The contribution that private colleges have made to the State of Illinois and to the nation is one that cannot be calculated. It has been a rich contribution in the past. I am sure it will be a rich one in the future, if we have the good sense to support with public efforts, as well as private efforts, what you are doing. I wish you the very best in your important endeavors.

The Institutional Planning Process: Academic and Fiscal

Chester M. Alter

I feel a little badly because having it pointed out that I have risen from the ranks of university president to the rank of instructor leaves out the most important and highest-level rank that I have ever had and that was as teacher in a one-room country school, a few miles east of here in Indiana. I suspect that not many of you are old enough to have started your academic career teaching in a one-room country school. But if there is anyone here who has had that experience I am sure you will agree with me that that may well have been the most meaningful, exciting, wonderful experience that anyone could ever have in the field of education.

It was about a year ago that Roger Voskuyl asked me to speak to the CASC meeting in East Lansing, Michigan. At that time I spoke on the assigned subject "Why Long-Range Planning?" I added to that title "an essential in college administration." That paper, which has been published, was rather general in nature with respect to the concept of long-range planning as applied to many kinds of organizational entities—business preparations, not-for-profit institutions, including colleges and universities.

In that talk a year ago, which many of you presidents heard but will have long forgotten, I am sure, I tried to make four emphases, or four points. I stated at that time that planning for the future is a way of coping with a rapidly changing world that enables colleges hopefully to measure and to control some of those changes.

Second, I tried to make the point and emphasize it, that the very discipline of planning, the process of planning, provides important dividends in itself regardless of the content of the plan, the end product of the planning process.

And third, I tried to make the point that unless individual institutions and all of their component parts do their own planning, someone else will inevitably plan for them. Perhaps to the extent of planning them out of existence.

And finally, I made the point a year ago that in my opinion one of the most important benefits of planning is to increase support, both moral support and financial support for the colleges.

Now, Dr. Voskuyl asked me to come to Eureka this year and speak to you again. When I talk about planning, I am not talking about dreaming. I am talking about sophisticated planning, which is a highly technical process in itself, a process which can be a lot of fun but is also hard labor as many of you know; I am talking about hard, sophisticated planning, rather than just thinking about the future. I say that this is a way of coping with rapidly changing aspects of the life and environment in which we live, and I ask myself if there have been any changes during the past year that would affect my thinking at least with respect to planning in the field of higher education, particularly for the private college and universities. Has anything happened during the last twelve months? Well, you would agree with me that many things have happened during the last twelve months. If ever there has been a time when we could accurately say that higher education is undergoing rapid change, certainly it has been during the last twelve or twenty-four months.

For instance, what has happened to invested capital, the value of invested capital during the last twelve months? Endowment funds have gone down in market value. In many cases this becomes a very complicated subject but a very real one in both some small colleges and some very large universities. Income from a depreciated portfolio of investments is also going down and is likely to have a very serious impact on operating budgets for '70-'71. I happen to know of one college endowment portfolio that in the last five months has decreased in value nearly 70 percent. This is shocking. What is even more shocking in that particular case is the fact that the income from that portfolio will certainly decrease during '70-'71 by 50 percent from what it was in '69-'70.

The quality of trusteemanship—and I hope that there are trustees in this audience this morning—is being challenged, not only being challenged in terms of legal requirements of trusteemanship for not-for-profit trusteed organizations, but also being challenged in the quality of policy making of the institutions of which they are members of the boards of trustees. This has been a remarkable year on many campuses, with violence and massive involvement of altogether new groups, new constituents. Now some colleges, it seems to me, during the past year have somehow or other managed to cope with these changes and to actually control some of the factors which taken together make for a highly changed situation. Some have lost control over this process of change.

Well, second, I have asked myself has planning been going on? Has the discipline of planning really helped as I tried to indicate it should a year ago? Well, it certainly has been going on in the group of colleges represented here, in the membership of CASC. Under the leadership of Dr. Voskuyl, supported by some foundations, 14 member colleges of CASC have been participating since last April or May in a pilot program of long-range planning under the direction of my associates in the Academy for Educational Development.

But let me say that hundreds of other colleges have been engaging as never before in the planning process, perhaps in a way different than they have been previously, because unfortunately, during this past twelve months, it seems to me that many administrative officers of colleges and universities have been caught up in the process of crisis management rather than the administration of higher education, which has pre-empted their total time to such an extent that altogether too many have just not had the time to think in a very real and useful way about their futures.

This 14 college pilot study or project under the auspices of CASC, in which I have played a small part, has been a most interesting one. We will have a meeting Thursday of this week of representatives of those fourteen colleges here in Eureka in which we will begin to take second steps in helping these colleges make projections for the future on the basis of certain rather definite assumptions which they have made for their own institutions together with an inventory about facts of where they are today. This has been a very enjoyable process for me. It has been very painful in some respects to the college administrators and faculty members who have undertaken this project. But I am convinced it will be useful; and I would hope that, during '70-'71 and '71-'72, the time which we have gotten in the habit of spending in managing the crises in this educational world can be turned to some extent to rather sophisticated planning processes.

Third, you will recall that I indicated a year ago that if a college does not plan for itself and if groups of colleges, groups of similar kinds of colleges and universities do not plan for themselves, others will do it for them. It has been interesting to me that my associates and I have been asked during the last six months to participate in three state-wide projects involving efforts to develop a case for what they call state aid to the private institutions—something that I will refer to a little later and something which you heard about last night from Lieutenant Governor Simon. But it is interesting to me that, in these cases where we have been asked to help the colleges to make a case for involving the state in utilizing the facilities of those colleges, the real impetus for this kind of action was frankly not taken by the private institutions themselves either individually or collectively, but the impetus for moving in this direction in specific states came from state officials, state boards and in general the public or the taxpayers. This is, in my opinion, unfortunate; and it bears out the fact that if our private institutions do not do planning they will decline and fall.

Another example. The governors of about forty of the states have now seen fit to establish the Education Commission of the States, which, in my opinion, is the result of the fact that the governors and legislators were not getting the facts, comparable facts, at least about the higher educational picture in America, and therefore set up a new commission of their own to help provide the basic facts about the various segments of higher education, facts which would be comparable and which they could rely upon for the purpose of decision making.

During this past year, there have been several cases where those we think of as outsiders have begun to take actions and make decisions involving our profession and what many of us would think of as our kind of institutions. I refer, of course, to state supreme court decisions and decisions by circuit courts of appeal, district courts of the federal court system.

I will not elaborate my fourth point that planning, developing a case, developing a thorough-going knowledge of where the institution is today, where it wants to be ten years from now, and methods of getting from where you are to where you want to be, would provide the greatest base for corporate or individual foundation, church and other types of financial support. I will not elaborate that point because at this particular conference, where there is great emphasis on development, you will hear much about that subject and have already heard much about the role of planning and the development of the case as related to financial giving to support the work of a college.

Let me say in passing, however, to all of you, that in my opinion—and I am sure that the development officers of colleges here will agree——I think the time is past when we can make our private colleges buyable by going to potential donors and saying you must support us, you must give to your college in order for us to liquidate or reduce an already existing deficit or prevent a deficit. There are so many demands upon the private dollar today, there is such a demand for a reordering of priorities, that it seems to me that the less we can actually present, the less we talk about financial deficits, the better our response will be.

Now I would like to be a little more specific with respect to planning as applied to both the academic and the financial area of operation.

I have had an unusual opportunity to look at the operation of a substantial number of colleges during the past two years. Nearly a hundred of them. I have looked at their catalogs, which incidentally is probably the poorest place to look to find out about any educational institution. I have visited their campuses. I have read the annual reports of their presidents, probably the second worst place to go to find out facts about an institution. I have analyzed their financial records. This by law, if for no other reason, ought to be a good place to look at the financial reflection, the dollar reflection of the programs operated at an institution. I must say that even in spite of certified public accountants who are employed at a high rate to audit the figures, sometimes auditor's reports and treasurer's reports are equally confusing. I have talked to many administrators and I have talked to students and faculty.

Now what do I find? Often I find that colleges and universities are simply not primarily what they say they are. Now I am not talking about your college, or yours, or yours, and any of these represented here; but if you will just be frank, you will agree with me that along with those other colleges that you happen to know about around the country—and they are getting to be pretty numerous—practically every county seat in the country now has some kind of institution of higher learning. They are just plain not what they say they are. You know there is a whole group of colleges in America that say they are four-year colleges. Well, many of them may offer a four-year program. But for the vast majority of the people who are really concerned, these are not four-year colleges, they are something less than four-year colleges. They are one-year or two-year or three-year colleges. Now why do we talk so much in this day and age about four-year colleges when the clients, the customers, by and large today are really not concerned about a four-year college? We have really not faced up to the fact that for most of the colleges and universities of America less than 50 percent of the students entering the college graduate four years later and for many of them 70 percent do not graduate four or five years later. This phenomenon of mobility resulting in attrition of individuals from institutions has caught up with us; yet we haven't changed what we've said about our colleges. How many colleges write in their catalog that we recognize we are not a four-year college for most of the people who are coming to our college. We are something less. But you are still welcome. We think probably that you can learn more and have a greater experience in one or two years here than you could in four years in any other institution in the country. You might as well say that as say what you are saying, or what many institutions (not yours) are saying.

Many institutions also say that they are liberal arts colleges, but in terms of their graduating seniors—the product of these colleges, those getting their degrees—they are not primarily liberal arts colleges: they are professional schools. In one study I made where I got the major designation of the graduates at one particular college that offers fifteen different majors (they say they are a liberal arts college and they do offer majors in fifteen fields) forty-nine of the ninety-eight graduates in 1970 showed a major in elementary education.

In another one, out of a total 1970 graduating class of about ninety, twenty-eight were majors in nursing. Now can we really say that these are primarily liberal arts colleges? I think most people would put institutions which are in fact primarily turning out elementary school teachers or nurses in the classification of professional schools. But we don't say that. Many of them say that their faculty hold a consensus on what kind of discipline should be held in common in the background of every liberally educated person. This is the kind of person that the liberal arts college is said to want to turn out—the liberally educated man or woman. But in a group of ten supposedly similar colleges with a total of fifty-seven different majors—all of them liberal arts colleges they say—at least fifty-seven different words or expressions were used to describe the major emphasis followed by last year's graduating class.

Some say that in the small college there is a favorable relationship between the faculty and the students. This is certainly one of the claims of the small liberal arts college. We all believe that don't we? We all believe that.

But the interesting thing is that when an outsider talks to some of the students on those small college campuses, he gets a different feeling about this great personal individual relationship between faculty and students. The students sometimes say that the faculty members are just not very often available other than in the class hours during which they are teaching.

As a matter of fact, at one college I visited, I walked up one of the corridors one day in one of the buildings where there are many faculty offices. And I noticed that on the faculty office doors they had schedule cards. You've seen these cards, about 4″ x 6″ with Monday, Tuesday, Wednesday, Thursday and Friday, just five days. Some of them are printed up so that they can run from 8 o'clock until 5; others from 9 to 5; and usually the 12 o'clock hour is crossed out. I noticed every faculty office had one of these cards posted. I stopped and read each one of them. I noticed that most of the faculty members had marked a total of about twelve hours of classes on different cards. This accounted for about twelve hours. And also I noticed that tucked in during the week were usually from three to five hours scheduled as times they were available for conference, or office hours or something of this sort. Well, in general in that institution the number of hours which the faculty members had filled in on their schedules amounted to about fifteen hours per week, which was seemingly a public announcement that they could be counted on at least during those fifteen hours as being usefully occupied to the benefit of the learners and the community.

Now it just happened that a day after that experience I was in an office building downtown and I walked by a firm of lawyers. On the door it said "Office Hours". Now these were professionals too, these lawyers are professional. It said, Office Hours 8:30-5. This office building had several lawyers' offices in it. I thought, well this is interesting as compared with what I had seen at the college the day before with another kind of set of professionals, so I looked on several office doors. These lawyers were saying that in effect they were available from 8:30 til 5. I went by one office and there was a tag on the door which said "out for lunch, will be back at 1:30." Now you see the assumption in the two cases isn't different. In one case it is assumed that the professional is available unless otherwise stated. On the faculty card one has to assume that he is unavailable unless otherwise stated.

Now I don't want to be too critical of faculty members because I know that they are employed to do research; and when they are doing research they don't want to be bothered. This must be especially true in the liberal arts college where the catalog says that the faculty are not primarily hired to do research—because the catalog is always wrong, you see, it states the reverse of what is usually true. So they must be working hard in the interest of scholarship, of learning; and I've also discovered there are a lot of good gardeners in the afternoons.

My point is that accountability of time, effort, resources, plant and financial resources are now being demanded by our clients and by the supporters of higher education to a greater degree than ever before. Even trustees are beginning to ask administrators and faculty members to be more accountable for what they are doing. It would appear to me that colleges that are doing the most sophisticated planning are coming to the conclusion that they can well afford to cease being all things to all people. In fact, they are discovering they cannot afford to do everything everyone else is doing. In short, they are specializing and concentrating in the things that they are most competent to do. Concentrating and specializing perhaps are bad words in an audience of liberal educators. But in my opinion, we are going to have to do more concentrating and more specializing in the areas of our competence, in the areas of our resources; and do these things well and do them with great accountability and responsibility if we are going to succeed in the future. They are beginning, I think, to take a realistic approach to a predetermined size. They are focusing their recruiting efforts and are going to have to focus them more and more on the kinds of students they really want. They are cutting down the number of majors in many cases that I know about. They are reducing the number of courses in the private institutions.

I mention this business of recruiting. I should say that, in my opinion, we need more planning than ever before, resulting in a more precise relationship between the recruiting and admissions efforts which we are making and the end results which we have or desire. I have already mentioned the problem of attrition; let me point out the problem of transfer. I would guess that 95 percent of the effort on recruiting in a given college is expended toward recruiting freshmen in spite of the fact that 70 percent, or 50 percent or 60 percent of those freshmen will not stay four years to graduate. I am sure that we have just not developed the kind of interest in the recruiting of transfer students to help fill up the upper division courses and to maintain some kind of a balance between the various classes to make the productivity of the college in terms of number of graduates a reasonable figure. We have not developed the kinds of methods, the kinds of techniques, we have not invested the kind of money in recruiting transfer students that we will devote in the future. In spite of the great number of students who do transfer (and let me say that students who transfer out of one college generally speaking transfer into another college) why on earth have we failed so long as college and university administrators to pay much attention to this kind of student? I know of one college where they have been taking this seriously. Not long ago they read in the newspaper about another liberal arts college halfway across the country folding up. The very next day there was an admissions officer from the first college at the folding-up college, and as a result of this visitation twenty-eight students from the dead college transferred to a very live college.

Now, it would seem to me that in conclusion I could make the following comments with respect to the academic program.

Obviously all of us as administrators can afford to spend more time in the planning of academic programs for the future in terms of the basic objectives of our own colleges. There is tremendous need for the systematic marshalling of the real facts about our colleges. Do the hard facts bear out the prevailing feelings? Frankly, very often I have discovered they just do not. Therefore, we need hard facts. It takes research to find the facts. It may even require hard decisions to begin to build colleges around the learner, rather than exclusively around the teacher. It may take a willingness in faculties to give credit for what the learner learns by other methods rather than solely for what he has been successfully taught by a teacher. It is very interesting that fifty years ago about the only way that a human individual had to learn was to be taught. Hence, the relationship between education on the one hand and the teacher on the other. Schools of education were really teacher-training institutions. There are many other clichés, even operating principles, which point so clearly to the fact that we have primarily identified education with teaching and the teacher. This was necessary and useful, fifty years ago. But today what a man learns comes from many sources. Most of what we learn today we learn by not having been taught what we learn. I would suggest that one of the changes taking place in our educational establishment is the fact that colleges and universities will sometime soon learn precisely that.

I would like to say in passing that there has been an awful lot of educational and academic planning done in the last ten years ever since 1959 when Sidney Tickton first published his pamphlet entitled "Needed: a Ten-Year College Budget." Most of this planning has been institution-wide and rightly so. But I would predict that many of you will find it desirable and necessary in the next half-decade to begin sophisticated planning at the departmental level or the divisional level where, incidentally, most of the money being spent in the name of higher education is really spent.

Now I would like to say just a few words about the present state of finances and financial planning in our private colleges. I do not need to tell you that total institutional costs of operation of our colleges have skyrocketed during the decade of the sixties, particularly in the last half. Let me say that this is true not only for the private colleges like those you represent, but also for the public colleges and universities. I would guess that a higher percentage of private colleges showed a deficit operation for the fiscal year 1969-70 than for any year in the history of American higher education. To be sure, construction of new facilities has slowed down. The debt service charges for those who have borrowed money to build facilities still linger on. Enrollment in the smaller private colleges was very spotty during 1969-70. The prospects for this fall are even more worrisome, it would appear to me. There appears to be a wide variation of projected increases and decreases in registration both due to a very peculiar fall 1970 application picture for new freshmen at college after college. In particular, the very small colleges and the very large state universities are very uncertain about the number of returning students come September.

Medium-sized colleges and universities seem at this particular point in time to be more attractive to a larger number of students than even the very small colleges or the very large state universities. But community colleges in many states are destined to show the very largest increases percentagewise and in many cases in actual numbers.

Income from endowment for those fortunate in having substantial portfolios will certainly decrease this year. Particularly will this decrease if those colleges have heeded the advice of some well known foundations and other financial experts to increase their percentage of investment in common stocks in order to increase the available earnings. Most of you have read the recent newspaper account about the loss taken by the University of Pennsylvania which had over a period of a year or so invested several million dollars of their endowment in Penn Central stock. At the last moment, a day or two before bankruptcy was filed, they liquidated this part of their portfolio at a loss of something like three million dollars. Incidentally, it didn't help the accountability image of their board of trustees when it emerged that the chairman of the investment committee of the University of Pennsylvania had personal interest in one of the subsidiaries of Penn Central.

Another college that I am very familiar with had lost 70 percent of its endowment in five months. It doesn't help very much in the case of that college to know that a change in the investment management of its portfolio was made about six months ago when the total portfolio was turned over to professional financial trust advisers with the stated objective of producing a greater income from endowment than it had been receiving under volunteer trustee investment committee. It turned out that the professional financial firm hired to manage that portfolio had as chairman of its board the same person the college had as chairman of its finance committee. These things are not very happy situations. It does not make them any more pleasant to have them happen in educational institutions where there is great honor and prestige involved in trusteemanship and great expectation on the part of the public.

I just want to say one word in closing about some of the preliminary figures that we have obtained from the 14 colleges in this CASC study. We have been very much concerned about the size and the relationship of the size of the institutions to their economic viability. Some of these colleges are very small, running from faculties of 22 to 40—and in some cases almost 50 faculty members—with enrollments of 250 to 850. I have found that there is the general feeling prevalent among all kinds of institutions, all sizes of institutions, that if we can only be just a little bigger, maybe 20 percent bigger, we could solve our financial problems. Frankly many of us have lived during the last decade by increasing tuition and increasing enrollment; these two things multiplied together have permitted colleges by the hundreds to stay in existence. Let's face it, that's what happened, in the face of rising costs. I ran a ratio of total operating budgets for about 12 of these 14 colleges, a ratio of the operating budget to size of faculty. What did I find? I find that on the average for these 12 colleges, the total operating budget is $43,000 per faculty member. The lowest was $30,000 and the highest was $56,000—a remarkably small variation. This would indicate to me that in the present system, when colleges of this size are spending, are finding it necessary to spend, to the order of $40,000 per faculty member, you get the total operating cost, and they will not solve their problem by doubling the number of faculty. I have run similar figures on different sizes of institutions with 80 faculty members, with 120, and 500 and 1,000 faculty members; and the total operating cost per faculty member will not vary a great deal from an average of $40,000 total per faculty member. Now, you might say that this ratio does not take into consideration the variations and auxiliary enterprises. Some may house and feed a lot of students, others may not. So I went to the educational and general budget of 12 of these colleges and compared the educational and general expenditure per faculty member. The average was $30,500. The lowest was $21,000, the highest $37,000. Incidentally for these colleges the E and G cost per student was $1,650. And for comparisons I went to some other institutions. You might be interested in knowing that for a very large private university with completely integrated research, graduate, professional and undergraduate programs, the total operating cost per faculty member was $61,000 last year. The total E and G cost per faculty member for that university was $43,000. The total E and G cost for student $2,310. So if you study those figures (and we will have these figures on the colleges in this study to serve as a basis of some decision making in the future) you will discover that increase in size of student body, growth of faculty, which is almost inevitable, will not solve the financial problems in the future.

I have talked longer than I should have. I did want to talk about so-called state aid to private institutions, but you had, I understand, a speech on that last night by the distinguished Lieutenant Governor of the great state of Illinois.

If the newspapers reported his speech accurately, I would say that he did the cause of the financial and educational viability of the private institution great harm. Unintentionally. Because the newspapers carried this in terms of state aid to private institutions. This, in my opinion is a thing of the past. It will not be bought, it will not succeed. The public couldn't be interested less in a save-our-college concept. But let me say that if the newspapers reported the Lieutenant Governor accurately, I would say that he put his finger on what I would think is the most challenging, interesting approach to state utilization, public utilization of the facilities and the personnel of the private institutions, that I have heard. This I am highly in favor of. It would appear to me that the future must provide for states and federal government to be authorized to contract for educational services in private institutions in much the same way that they traditionally contract for health services, medical services, in private hospitals in this country. There is much for educators to learn from the concepts developed in medicare and medicaid in my opinion. I would just like to point out that on June 18, the legislature of the largest and one of the newest states in the Union, Alaska, passed what I think is the most far reaching, interesting, legislation in this regard than any state has passed. I would predict that in the next six months you will all read about it. It was signed by the governor of Alaska on June 18, went into effect on June 19. It provides authorization for the state commission on higher education to contract with the accredited private institutions to provide educational services to citizens of Alaska and to be paid on a determined basis which incorporates the tuition equalization concept —100 percent plus $500 per year per student who chooses to go to an accredited private institution. This, to me, is far more acceptable in principle and philosophy and avoids many pitfalls such as the church-state relationship that the concept known as state aid or save-our-colleges philosophy can hold for the clients, the taxpayers, the voters of America.

Plan, Plan. Plan. If you do not, you may be planned for, including being planned right out of existence.

The Ongoing Development Program versus the Capital Campaign

Warren Gould

One of the more heartening changes in the college and university development field is the increased clarity with which educators, administrators and professional fund-raising consultants are using the language of seeking and gaining financial support. (I hope my remarks will add to, rather than detract from, this increased clarity.) All too often in the recent past and somewhat still today, spokesmen on this subject have obscured rather than enlightened by their confusing definition of development programs, annual funds, capital campaigns and the rest of the lexicon of fund raising. Offsetting this is the kind of lucid presentations that you are hearing from (at least) the speakers who have preceded me.

I think this understanding of terms is especially important when we talk about, plan and carry out the development program and one of its key elements, the capital campaign. I hope you will accept, then, this definition of a capital campaign at a college or university: the mounting of a significant infrequently recurring fund-raising effort to provide for major institutional needs by the organization of a large volunteer force to solicit sacrificial pledges from the entire constituency ranging from the very large amounts to relatively small amounts. Inspect with me, if you will, some of this terminology a bit closer: the campaign is a one-time effort (which can stretch over two to three years, however!) . . . the needs are usually monumental in cost when compared to the regular pattern of gifts received by the institution . . . these needs are met by soliciting "sacrificial" gifts through a volunteer organization that strives to see each prospect in person . . . almost every individual, company or foundation that can be identified by the institution is solicited . . . and, while success is measured by very large gifts from a relatively few persons, every effort is made to secure pledges from a broad segment of the alumni and other friends of the college or university.

I belabor these points as much to remind us all of what a capital campaign *is not,* as much as to re-define what a capital campaign is. For I think you can see that, when we describe a capital campaign in the terms I have just given you, we are telling only a part of the story of an institution's total fund-raising activities. What else, then, makes up the total *development program?*

Next on my list would be the annual giving solicitation. I would be surprised to find that there is a college in this audience that does not in some way receive private gifts each year from one of several sources of donors: alumni, non-alumni individuals, parents, companies, foundations and other organizations. You will notice I said receive, for there may still be some educational institutions in this land which receive funds without asking for them! But most of us here and across the country are structured through staff and volunteer organizations to invite annual gifts for the current needs of the institution. Although sometimes quite large, these gifts are usually not sacrificial in the same sense as a gift to a capital campaign, and very often they are made without restrictions as to their use within the current program of the college or university. More and more, annual funds have grown to be the critical difference between black and red on the institution's books. I shall discuss a little later their relationship to the capital campaign.

Looking back at my definition of the capital campaign as an infrequently recurring fund-raising activity and at my definition of annual giving as mainly non-sacrificial contributions, a well-rounded development program must include a procedure for the solicitation of major gifts from selected prospects during a non-capital campaign period but outside the framework of the annual giving fund. Fortunately, more and more attention is being given to this "rifle shot" approach by trustees, presidents and development officers. It is hard work, however, requiring considerable research of prospects and preparation of proposals whether the prospects be an alumnus or alumna, another individual, a corporation or a foundation.

Closely coordinated with the solicitation of major gifts must be the final element of fund raising in the overall development program: deferred giving. It is still true that the most significant individual gifts to colleges and universities are coming through bequests, most of which have been planted and nurtured through several years of cultivation of prospect by the institution. Ray Killeen will be telling us the many other parts of an aggressive deferred giving effort, so let me simply indicate the importance of these activities within the total concept of development.

In reviewing these fund-raising techniques, let me take just a moment to mention the constituencies to which they can be directed. I have already indicated that a capital campaign will usually involve the solicitation of every name that can be put on a list of potential donors: alumni and alumnae, parents, faculty, other non-alumni individuals, foundations, corporations, denominational organizations and labor unions. (Some capital campaigns will even seek the support of students.) The annual giving audience can very much duplicate the list of potential capital campaign donors, although some discretion must be used, I think, in annually soliciting some non-alumni individuals, foundations and denominational organizations. Major gift solicitation—that third leg of the development stool—will require the inspection of all of these categories for the identification of affluent prospects who can be approached in behalf of very special needs of the institution. Deferred giving, of course, is restricted in its appeal to individuals, but should not be restricted just to alumni.

I hope, then, that I have made a case for the capital campaign being one part of a four-part development program. In so doing, have I implied that the capital campaign is going out of style as some have observed? This is not my intention, for I still see the time and place and need for the kind of all-out, traumatic experience that the capital campaign represents. It can be a useful exercise to raise funds of a size that would probably not be immediately obtainable otherwise; it can also serve as the instrument for building (or rebuilding) volunteer interest and support that can then be turned to other institutional enterprises.

What happens, however, if the capital campaign is placed in the context of other developing or successful development program activities—the annual fund, major gift solicitations, deferred giving? Adjustments must be made, of course, but perhaps not of the nature that we have been traditionally led to believe. Take annual giving, for instance. At one time it was axiomatic that annual giving was suspended during or merged with the capital campaign. Of late, the dictum is that annual giving must continue during the capital campaign. I hold to neither of these absolutes, but say that annual giving must be compromised during the capital campaign but need not necessarily be submerged during the solicitation period of the capital campaign.

The areas in which annual giving must be compromised are two: that of the volunteer organization and that of the timing of solicitation. It is the extremely exceptional institution that can recruit two simultaneous volunteer organizations to carry out both a full-fledged capital campaign solicitation and a full-fledged annual giving solicitation. Therefore, the annual fund must at least be compromised to the extent that it relies upon direct mail during the course of the capital campaign. In addition, great care must be exercised so that the annual giving solicitation is so timed as not to defeat the impact of the capital campaign and its solicitation for sacrificial giving. There are several variations on the theme of retaining the identity of annual giving during the capital campaign, but I think my present assessment is this: if you have a young and struggling annual fund, it can be suspended during the capital campaign and resumed as a much healthier activity when the campaign solicitation is completed.

Just to place the same kind of spotlight on the other elements of the development program and the capital campaign, it seems practical to expect major gift solicitations to be structured within the campaign, although we should never turn down the opportunity to discuss a project outside the campaign's list of needs if that is the potential donor's wish. Furthermore, deferred giving promotion should continue at full steam during the capital campaign with the obvious need to coordinate mailings and personal calls. Campaigners do find prospects for deferred gifts, just as bequest seekers will uncover lifetime capital gift potential. Coordination of timing and efforts must run through the entire development program!

In closing, just let me remind myself that I have at least once violated my charge for clarity of definition. It came in the very title I gave to this presentation: the capital campaign versus the development program. To be more accurate, I would rewrite that title: the capital campaign *and* the development program; or, working together to acquire private support for colleges and universities.

The Case Statement

Herbert N. Heston

Before anyone asks someone else for money, he had better be able to say how much he wants, what he is going to do with it, why he has to ask for it, and what benefit the donor will get out of giving it. In the development and fund-raising field, the answers to these questions are known as the "case statement."

If there has been one notable change in the giving habits of the over-solicited American during the past decade, it has been a far greater sophistication about how to give and what institutions to support. As the golden coach of the 1960's turns into the pumpkin of 1970, the rationale and description of the needs of every charitable organization becomes a more pressing problem for those who must seek support from others.

Therefore, the case statement is of the essence. It is the basic document on which individual solicitors must depend in answering the prospective donor's questions, as well as the convincing argument which will make the donor put pen to checkbook.

The man responsible for writing the case statement—and I think it should be one person, never a committee—would be wise to put himself in the position of the most resistant or recalcitrant donor imaginable. He should try to think of every possible argument against giving to the particular college. Then he should force those who have determined the goals to come up with air-tight answers for why their goals should be met. If the purposes and amounts needed do not satisfy the arguments he has put against them, they should be changed. All the expert writing, all the most artistic design, all the proliferation of mailings will not attract support if the basic arguments for giving to a cause will not stand up.

For instance, suppose that a college says it wants to raise $500,000 for a new stadium. A careful study of the college shows that its primary function is to serve a community where most students come from families of very limited means. Scholarship funds are, therefore, an ever-present, ever-increasing, need. Study also shows that the faculty are little interested in intercollegiate athletics, and the local public is deeply committed to their professional teams. Further probing shows that the reason for the stated need for $500,000 is that a trustee has offered to give $100,000 if they will raise the balance. Probably $400,000, if raised for scholarships, would be more appealing to the public, would do far more good for the college, and would have greater moral support from the faculty. I would say, "Try to convince your trustee that his $100,000 should go toward scholarships, but failing this tell him thanks, but no thanks."

It goes without saying that before a case statement will convince anyone that he should give his hard-earned money, it must make clear the basic mission of the institution, what steps are about to be taken in order to fulfill this mission, and what is required in order to take these steps. A distressing trend at this time is the homogenization of American education. Too many colleges and universities are not only trying to be too many things to too many people, and too often in the same way.

In the competition for the philanthropic dollar, the institutions which have thought out the limits of their possibilities and have determined to do their own thing in the best possible way are likely to attract the maximum support.

Presuming, then, that you have thought carefully about what you want to do, how you want to do it, how much it will cost, and how much you have in hand, the next step is to communicate this in a way which will attract the donor's attention and make him think it through, with the least possible effort on his part.

There do seem to be several rules of thumb regarding the impact of an argument on a prospective donor:

First, printed pieces must be so designed that the reader cannot resist opening them.

Second, brevity is of the essence in any one message, if not in the total number of messages. Never use ten words if you can say the same in five. Usually, no more than one message should be presented in one mailing. On the other hand never rely on one argument if you have more than one—just present them separately.

Third, be yourself. The way you come on to your constituency should be consistent with what you are. A Harvard should not look nor talk like a Southern Illinois, or a Swarthmore, or an M.I.T. and vice versa. This applies to the appearance of your materials, as well as the wording.

Fourth, remember that your argument is for your donor, not for you. Tell him what his gift will do for him, as well as for you, how to make the gift, and when it must be done.

Fifth—and most important—honesty is the best policy. Do not be afraid to mention any weakness your college may have. After all, you are seeking help. On the other hand, search out and frankly cite the strengths which are your good fortune. No one likes to back a loser. The more you "tell it like it is," the greater the confidence of your constituency.

There are many ways in which the case statement can be presented to prospective donors. Brochures—and there are many kinds—as well as personal letters, newsletters, and magazines offer the most dependable tool for encouraging support. Factual material, set permanently in type, represents the dependable, readily available information which can be used in countless ways. Cyrus Seymour once said, "Brochures may not raise money, but very little money has ever been raised without them."

The verbal message presented by everyone from the President down to the individual solicitor has the greatest impact. To contrast with Mr. Seymour's statement just quoted, let me say (less elegantly) that printed matter puts the bucket under the cow, but the spoken word provides the means to get the milk. Nonetheless, it is the case statement which supplies the basic argument for the spoken word, which provides the most convincing argument for the individual solicitor, and answers the toughest questions from the prospective donor.

A third vehicle for publicizing the case statement is offered by audio-visual aids. These can be motion pictures, slides, videotape, or combinations of all three. This type of presentation is more likely to produce an emotional, rather than rational, response. There is no better way to show what is really happening on the campus, or to dramatize the "feel" of the college. There are a few things to remember in producing such a presentation. First, it should be borne in mind that there is a definite time limit to anyone's concentration on film and sound. Most college films are too long. The goal is to whet the viewer's appetite, rather than to overfeed him. Second, this type of solicitation does not lend itself to factual material. It is far easier for the viewer to leave with a distinct impression of dedicated teacher than with any mathematical understanding of statistics concerning the college or the program. Third, you may be sure that any such spot recording will be out of date after two or three years. Finally, this is most valuable—yet seldom, if ever, used—as a means of spot news about the college. A basic show, preferably based on slide-script or videotape, constantly updated and circulated, probably with no plea of any kind, offers a most valuable means of keeping the various publics informed.

The case statement, therefore, serves as the basis for a total communications program. Too many institutions feel that a case statement is something that is needed only for a major fund-raising campaign. The truth of the matter is that there should always be an up-to-date case statement readily available to all who need it, and it should constantly be reviewed and updated. Some or all of it should be used for:

consideration of major policy decisions within the institution;
capital giving from without the institution;
annual giving;
student recruitment;
and general public relations.

The content of the case statement should arise first from the thinking of faculty and students regarding the academic aims of the institution. The steps to be taken to implement these aims should be defined by trustees, administration, and faculty. The resources needed to implement them should be sought by the trustees, the president, the fund-raising staff, and a large body of dedicated volunteers. The case statement is the master plan for the college toward definite goals in a stated time.

These goals must always be realistic; for there is no greater long-range benefit than accomplished success. There should be some definition of priorities. There must be indisputable proof that only the support which is being sought will provide the answer. It is essential to assure those who would support the institution that they will be joined by others. Finally, generosity usually is motivated by people giving to people. The case statement should stress the benefits which will derive to people, rather than the problems to be solved in building construction or budget balancing—important as they may be.

A good case statement should list the academic aims of the colleges, in terms of what it must do for its students and its community. It must list—very specifically and briefly—the college's present capital assets, sources of support, and expenses. It must list the present needs and the academic justification for them (in terms of service to people). It must say where and how the support will be sought. Finally, it must explain why a donor will derive satisfaction from lending the needed support, and how he can most economically provide it.

You can be sure that any large donor today has already been approached by the best in the business. A mere appeal to nostalgia, or the old-time "heart tug" will no longer do the job. Without sound argument all the fund-raising techniques in the world will not do the the job. And perhaps this is as it should be!

Researching the Foundations

Richard M. Witter

In a recent issue of *Daedalus* there appears the following quotation from Mark Twain, which I thought as I read it might well be paraphrased for this meeting. He made the remark at a banquet in 1879 for President Grant:

> "We haven't all had the good fortune to be ladies; we haven't all been generals, or poets, or statesmen; but when the toast works down to babies, we stand on common ground."

My paraphrase would go something like this:

> "We haven't all had the good fortune to have large endowments; we haven't all gotten major gifts from corporations, foundations and other constituencies; but when we get down to talking about the financial problems of our colleges, we stand on common ground."

Mr. Twain's original comment I'm sure was humorously intended; mine, I'm afraid, is not so humorous, particularly in its implications.

I want to try to do several things this afternoon. First, I will attempt to place foundation giving to higher education and particularly to private colleges in a certain perspective. Secondly, I want to discuss briefly the new Tax Reform Act of 1969 and some of its implications for foundation giving. Thirdly, I want to discuss with you and show you some of the major resources which are available to someone who is doing foundation research. Fourthly, I want to talk specifically about the Form 990-A and its special importance as a foundation research tool. And finally, I want to talk a little about the role of the president, the trustee and the director of development in this matter of foundation research. I hope I haven't tried to cover too much ground. And if it shows to some of you who are familiar with the foundation field that I have been excessively detailed with this presentation, please know that I did not plan this paper with you in mind. Rather, it is aimed at those who have very little working knowledge about how to go about researching the foundations.

The summary listings of grants of $10,000 or more given to education generally by foundations for the years 1966-1969, as reported in the *Foundation News*, show us that between 1966 and 1967 there was a 22% increase in foundation giving to education. Another whopping increase of 61% is reported between 1967 and 1968. However, comparing 1968 and 1969, we see that there was a drop of 34% in total giving to education.

Foundation giving to higher education has been something of a seesaw during the past four years. From 1966 to 1967 there was a 13% decrease, from 1967 to 1968 there was a 12% increase and from 1968 to 1969 there was a 6% decrease.

Unfortunately, the *total* giving to higher education by foundations is not accurately reflected in the Higher Education category in this table. The listing has mixed its categories so that accurate figures for each level of education are not reported. For example, the major levels of education mentioned here are elementary and secondary, higher education and adult education. Each of the other categories could be sub-parts of those major levels. Buildings and equipment include giving to colleges and universities for that purpose. Much of the money designated for educational associations goes to organizations directly concerned with higher education. Too, most of the endowment money is probably for higher education. If each of the subparts were tallied according to the level of education in which the money was used, I'm sure the total giving for higher education would be much larger. In fact, I believe it would be way out in front.

Turning to foundation giving to private colleges, including men's colleges, women's colleges and coeducational colleges, I have compiled some interesting figures by dollar range and enrollment from the annual survey of Voluntary Support of Education sponsored by the American Alumni Council and the Council for Financial Aid to Education. These figures give us even greater detail about what private colleges are reporting in the way of gifts and grants from foundations.

In the 1967-68 year, there were a total of 565 private colleges which reported in the annual survey. Only 462 or 82% reported any actual gifts from foundations. Almost one-third of the colleges reported gifts in the range of $1 to $24,999. The next three ranges, $25,000 to $49,999, $50,000 to $99,999 and $100,000 to $249,999 are almost exactly equal in the number of gifts in each range. And only 13% of the colleges received foundation grants totaling $250,000 or more.

In the latest survey, 1968-69, the total number of private colleges reporting fell back to 539 with 450 or 83% reporting some gift income from foundations. The percentages of gifts in the various dollar ranges are almost identical with the previous year, with the exception of the $100,000 to $249,999 category which increased by 4 percentage points from 12% to 16%.

Looking at the tables from the enrollment perspective, in both years the vast majority of gifts, 87% and 82%, are reported by colleges with enrollments of under 2,000. Even the major proportion of gifts in the larger dollar ranges are being reported by colleges in this "under 2,000" category. Foundations are giving to the smaller, private colleges in a good proportion when compared to total foundation giving to all private colleges.

The total giving to these private colleges in 1967-68 was $64.9 million, which represented only 16% of total giving by foundations to all kinds of institutions. The total dollar figure in 1968-69, with fewer colleges reporting, increased to $76.5 million, which was 22% of total giving by foundations to all types of institutions. So there was an increase of grants to smaller, private colleges from 1967-68 to 1968-69.

Going one step further into the giving to private colleges, we can examine what has happened at some of the CASC colleges in the past few years. If we look at the record for the last three years, we will see that about the same number of colleges have reported each year in the Annual AAC-CFAE Survey: 55 in 1966-67, 51 in 1967-68 and 53 in 1968-69. About the same number of colleges have reported actual gifts each year: 38, 40, and 40. The median gifts show a kind of seesaw effect, with $19,582 in 1966-67; $12,797 in 1967-68; and $22,127 in 1968-69, which would seem to indicate some progress. If we look at some dollar totals, without attaching names to the colleges, we will see that our ranges have gone all the way from $250 to $258,850 in 1966-67; from $600 to $278,342 in 1967-68; and from $500 to $318,548 in 1968-69. Perhaps presentations at both our 1968 and 1969 summer meetings about how to approach foundations have had some effect on the colleges.

This is perhaps as good a time as any to mention some of the facets of the new Tax Reform Act of 1969 which will directly affect foundation giving in the future. In general, this new tax bill provides for:

(1) a 4% annual excise tax on net investment income. This will

reduce the amount of money which foundations will have for distribution as gifts and grants;

(2) specific prohibitions against self-dealing, which, along with the new tax, may tend to discourage persons from setting up foundations;

(3) a 6% annual payout on assets by 1975, which will increase the amount of money foundations will be required to distribute;

(4) a 20% limitation on ownership of any corporation;

(5) certain excise taxes on prohibited actions or upon failure to meet certain requirements;

(6) publication of annual reports by all foundations with assets of at least $5,000 in addition to the information return Form 990-A. Last year only about 200 of the estimated 20,000 foundations filed reports with the Foundation Center. This latter requirement should mean greater access to information about more foundations.

Because of the excruciating examination which the foundations have undergone for the past several years, I would venture to say that they will be very cautious in future years. There is also some indication that they might pay greater attention to evaluation and assessment of what happens as a result of their grants. In a recent article enttiled "Measuring the Product of a Foundation Grant," Dr. Arnold J. Zurcher, former trustee, vice-president and executive director and now consultant to the Alfred P. Sloan Foundation, focuses on the need for greater foundation commitment to follow-up and evaluation of its grants. He states:

"That foundation managers should devise procedures to provide 'feedback' from the individuals and activities which they subsidize and estimate what, if anything, has been accomplished with their funds scarcely seems debatable. Unless such efforts are made, and made systematically, it would be difficult to determine whether a grant has attained its professed objectives and whether it should be renewed. It would also be difficult, if not impossible, to inform the public or appropriate government agencies as to just what is being done with funds that enjoy tax exemption. Hence businessmen and politicians who suggest that foundations have the obligation to engage in such appraisal and reporting are on firm ground."

Moving more directly to the topic of this presentation, what are some of the major and basic resources which are available to help a director of development in his search for foundation gifts?

Let me mention a few minor resources and then I want to discuss the major resources in the Foundation Center. First, there is *The*

Bulletin of the American Association of Fund-Raising Counsel which is published monthly. In it you will find items about new campaigns, progress reports on campaigns, general news items about American philanthropy, and a special listing of recent gifts from individuals, including bequests, and gifts from corporations and foundations.

Secondly, there is the *Philanthropic Digest* published about every two weeks, except in the summer, by the John Price Jones Company, Inc. From this bulletin you can learn about recent gifts and grants as well as presidential retirements, resignations and deaths; new development directors; new college and university presidents; development program progress reports, and other special news items about philanthropic giving. Both of these newsletters are indispensable to someone who is interested in researching the foundations.

There is also the *Financing Philanthropy* newsletter of Marts & Lundy which focuses itself more upon the campaigns of Marts and Lundy, but which is, nevertheless, a valuable piece of reading material for the professional fund-raiser.

For the predominantly Negro colleges which are represented here, I would recommend particularly the new bulletin called *Clearinghouse*. It is a project of the Southern Association of Colleges and Schools designed to inform about financial aid and other assistance available to the predominantly Negro colleges. It is funded by The Ford Foundation. I must admit, however, that I find it a valuable source of information which might well be used by other colleges and universities.

Another publication which you should be familiar with is the *Annual Register of Grant Support,* subtitled A Guide to Grant Support Program of Government Agencies, Foundations, and Business and Professional Organizations. It lists the foundations and other organizations by four major areas: General, Humanities, Social Sciences and Sciences. These are broken down into other sub-categories. It has organizational, subject matter and geographic. The book indexes may be obtained from Academic Media, Inc., 1736 Westwood Blvd., Los Angeles, Calif. 90024. Its price last year was $35.

Another new source of information about foundation giving, relatively new to the scene, is *The Chronicle of Higher Education.* Sometime this past spring the Chronicle began to publish in each issue a brief listing of recent foundation gifts and grants. If presidents, trustees and directors of development are not now reading this publication regularly, then I honestly don't know how you are keeping up on what is happening in higher education as a whole.

Please do not neglect your own local newspapers, the newspapers of major metropolitan areas which may be close to you and, of course, *The New York Times*. It's great if the development office can afford to subscribe to the Times, but at smaller institutions this is probably not possible for budgetary reasons. Therefore, don't be afraid to use the copy in the library. I do assume that most colleges subscribe to the Times via the library, but I could be wrong. And with xeroxing facilities in most libraries these days, it is relatively easy to copy articles about recent foundation programs and make them a part of your file in the development office.

If you are interested in drawing up some comparison figures of how your college is doing with respect to foundation gifts and grants, or for that matter gifts and grants in general, then you must have a copy of the latest survey of *Voluntary Support of Education 1968-69*. It is from this survey that I drew my earlier figures and there is no other sources quite like it that I know of in this country.

Now, let's take a look at the resources of the Foundation Center. There are two major offices, one in New York City and one in Washington, D. C. There are also seven regional depositories of information.

At the Center you will find the *Foundation Directory*, the latest edition of which is 1967 which lists 6800 foundations with assets of $200,000 or more or annual giving of $10,000 or more, alphabetically by state. Wherever possible, for each listing, you will find information about the foundation's name, address, when and where incorporated, original donors, its purposes and activities, financial data and officers and trustees. A new edition will be published in the autumn of 1971, according to Center personnel. The 1967 edition was $12.

In addition to the Foundation Directory, there are now in circulation several other directories of foundations which might be of interest to some of the institutions here. *The Catholic Guide to Foundations* is a 114-page book with detailed information on 168 foundations with net worth of $100,000 or over or annual grants of $10,000 or more, with special orientation to giving to Roman Catholic institutions. Its price is $7.95 per copy and can be ordered from P. O. Box 5489, Washington, D. C.

There are at least four state foundation directories that I know of: North Carolina (1960); Massachusetts (1965); New Hampshire (1968) and Oregon (1969). College officials might do well to "lobby" for such a directory of foundations in their own states. Most of these have been published by the State's Attorney General's office.

For those of you who are interested in going further afield, you might be interested to know about foundation directories for Europe,

OV 71

Latin America, the Federal Republic of Germany, Canada, New Zealand, Australia and Britain.

Secondly, there is the *Foundation News*. This is the most important regular publication of foundation information and it should be read religiously by all directors of development. If a president can peruse it once in a while, so much the better. The subscription price is only $6. What, specifically, will you find in this bi-monthly journal?

a. Listings of grants of $10,000 or more by categories such as Education, Humanities, International Activities, Science and Technology, Religion, Health and Welfare. The May and November issues are especially devoted to Education.

b. Changes in foundation leadership; new officers and directors.

c. Program descriptions of foundations; e.g. in the past few issues the following foundations have been described: The Alfred P. Sloan Foundation; Cummins Engine Foundation; Hattie M. Strong Foundation; John and Mary R. Markle Foundation; and others.

d. General articles about the role and function of foundations in society.

e. Foundations and the new tax law or other government regulations affecting foundations.

f. Receipt by the Foundation Center of foundation reports;

g. Special interest articles about foundation giving to particular areas of interest, e.g. population studies and research or international affairs.

h. Announcement of special foundation programs, e.g. the College Development Institute sponsored by Danforth and

i. The formation of new foundations, mergers or a major addition of funds to already established foundations.

Other resources in the Foundation Center are:

(1) Records of foundation grants of $10,000 or more by field of interest. There is a large card file in the New York Office and a notebook file in the Washington Office. The card file of New York has not yet been duplicated for Washington but the notebook files are readily usable.

(2) Reports issued by foundations. And if you are researching a foundation, and it has a published annual report and if you haven't even read the latest copy, let alone several back issues, then you just plain haven't done your homework. These reports include grants for that particular year, a financial statement, a listing of officers and directors and an introductory message from the foundation's president which may give you real clues as to forthcoming changes in policies

with regard to the foundation's giving program. Some of the reports will actually tell you how to make your approach to the foundation.

(3) Literature of all kinds, including books, pamphlets, and articles on philanthropy, philanthropists, and foundations.

(4) Material on how to prepare a foundation proposal.

(5) Lastly, but most important, the 990-A tax information returns. These are filed in Washington, D. C. alphabetically by state for some 20,000 foundations. And here I'd like to show you this particular form and what information it includes. This is a basic reference source, the very best, and it must not be overlooked if you are doing a thorough research job. If you cannot find copies of the latest return in the files of the Center, you can check directly with the Internal Revenue Service in your area and see how copies might be obtained.

When we begin our specific research into a particular foundation, what is it we want to know?

(1) What is the precise name of the foundation? You have one mark against you if you approach a foundation not having at your command its precise name, or if you correspond with it and use a wrong name.

(2) What are its basic purposes and do these coincide with the purposes for which you are seeking funds?

(3) Where is it located, including precise street address, maybe the name of a building, possibly a suite number, and city and state.

(4) What is its history in terms of when founded, by whom, for what purposes and in general, what is the background of the person or persons establishing the foundation?

(5) Who manages the foundation? Who are its officers and directors, and what are their professional connections? e.g., if they are lawyers, with what firm?

(6) What are the foundation's assets, its yearly expenses and record of yearly gifts and grants? What has been its pattern of giving, especially to education and more particularly to higher education? And I will have more to say about this matter of a pattern of giving a little later.

With special reference to your college you will want to know if any members of the college's major constituencies know people associated with foundation officers or directors. This includes especially the trustees. Be sure to determine if the college has had any prior contact with the foundation. Check the development office files and the files in such offices as those of the president, the dean and the business manager. Files sometimes have a way of getting lost in one office, but there may be carbons in another office.

And now let's talk a little about the roles of the director of development, the trustee and the president in this matter of researching the foundations.

Certainly the basic responsibility for this task falls on the shoulders of the director of development. He is the one who must keep himself current in the field; he is the one who should be making periodic visits to the Foundation Center; he is the one who must be using the major resources in order to compile as much information as he can about those foundations which appear to have purposes and objectives compatible with the college's programs. The director of development is the major staff person who must prepare and brief the president when actual visits to foundations are contemplated and finally arranged.

In beginning a foundation program it is good policy, I believe, for the director of development to start in his own backyard, or front yard. Investigations should begin with the foundations in your own local area or in the major metropolitan areas near to you and within your state and region. Don't be in too much of a hurry to get to New York. Sure, there's a great deal of money in New York, but for many of the colleges which are represented here at this meeting, the better part of your resources from foundations is going to come from your own local or regional areas. And don't overlook the fast-developing field of the community foundations. There are now over some 220 of these in the country and they do give for educational purposes, although this has been at a small declining rate over the past few years. More of their funds are going to civic improvement and the humanities areas. But the director of development should check in his local state and region for such foundations.

The director of development should also be preparing research reports on foundations and any possible contacts. Copies of the research reports can be distributed to every board member and they can be asked to return them with any comments or suggestions about contacts or avenues of approaches. Here there is a real opportunity for the president, the trustees and the director of development to function as a team in attempting to map out strategies of approach.

A brief word to the trustees: There are several things which you can do to help in this matter of foundation research. Make a listing of your friends and contacts and indicate whether or not they have, to your knowledge, indirect or direct contact with foundation personnel. Let the president and director of development of your college know about these contacts. If, after some research, the college discovers that a particular foundation might be a good one to approach, then help your president to arrange for an interview. And presidents take note . . . please keep your director of development informed about what is happening, if he is not in on the contact between you and your board member. I have mentioned it before, but I will say it again. Trustees should take some time at Board meeting periodically to discuss the foundation relations program of the college, and they must be willing to respond to requests for comments and suggestions about foundations which have been researched by the development director and his staff.

The college president is going to be the man to make the face-to-face presentation to the foundation. I say to the president, don't go near a foundation unless you have been thoroughly briefed—and that includes a written report about the foundation you are contacting. Don't blot your copy and the copy of the college if you don't feel that you have adequate information so that you can talk intelligently and knowledgeably about the foundation and its programs and why you think a grant to your college would be a worthwhile investment of resources by the foundation.

Depending upon how much leeway you give your director of development to work closely with the development committee of the board, you will have to act as coordinator of the relationship between the trustees and the director of development in this matter of gathering information about foundations. Do have your director of development attend any Board meetings at which development matters will be discussed.

It is the president of the institution more than anyone else who will set the tone for the development of a team approach to most college matters, including this one of researching the foundations. Working together as a team, I believe the presidents, the trustees and the directors of development at our small, private colleges can secure significant breakthroughs in securing funds for the colleges. Working together as a team means that we are honestly and sincerely interested in achieving common objectives. And if we are indeed talking about the common objective of possibly saving some of our small, private colleges in this country, then I believe the team approach, even in the matter of researching the foundations, can be the *most* successful in terms of achieving common goals and purposes.

Planning for Government Grants

Arthur J. Wiebe

Federal grants are becoming increasingly important to CASC colleges. The long-term trend in the amount of monies which will be available is likely to be upward even though growth is temporarily on a plateau. Also, it appears that for the foreseeable future we will be faced with a multiplicity of grant opportunities rather than a few broadly based grants available on some simple criteria. As long as the present situation continues, it will take considerable time, effort, and ingenuity on the part of college personnel to make optimum use of available opportunities.

In planning for government grants a systematic procedure should be developed. The following is one such procedure which has resulted in gaining numerous grants.

1. The first step is to become aware of the total program of federal grants. For this purpose, the *Catalog of Federal Domestic Assistance* is essential. This catalog, available from the Office of Economic Opportunity, lists all types of grants directly and indirectly related to typical college operations. In studying this catalog, the imaginative college officer will frequently find a program that is indirectly related which is highly significant to his particular college. The college president is one of the persons who should study the catalog carefully since it is he, more than any other person, who understands the broad range of interests represented in his institution's program.

2. A second step is to appoint the director for a specific program or a series of programs. He must have the ability to work with the faculty and administration; should have research experience; should be able to imaginatively develop a program to upgrade the college; and should have the management ability to carry out the proposed course of action.

3. The director should acquaint himself with the grant objectives and with the area it will affect in his institution. There are several ways in which the grant objectives can be determined and all of these should be utilized. This is one of the most important activities the director will engage in. The objectives are usually stated in the application materials. Careful reading of these is essential. No purpose is served by attempting to "bend" the objectives in an attempt to fit a pet idea. It is better to search the operations of the college to find an area that could benefit. If at all possible, the director should consult directly with federal officers administering the program to determine this year's emphasis and the general direction of their thinking. In relatively new programs, the congressional hearing and reports are helpful to understand precisely what the intent of the legislation is as far as Congress is concerned. When new legislation is under consideration it is profitable to secure these reports as early as possible to do as much groundwork at the local institution as possible even while legislation is still under consideration. Familiarity with and quotations from such legislative statements of purpose are appropriate content for grant applications.

Knowing the purpose to be served by the grant, the director needs to analyze its suitability to his institution. Which area in the college program will be best served? Will the grant really serve to build the program of his college or will it saddle the college with a program it cannot sustain or justify once the grants are terminated? It is poor judgment to institute additional activities on the part of the college if the long-term effect places a burden upon its operation. There should be a natural meshing of available funds with needed programs.

4. When a grant program compatible with college needs has been selected, the director should build a history of some five years or so of that area in the college and then develop a broader and better program. If the grants will not continue indefinitely, as for example Title III Strengthening Developing Institutions grants, the director should have a clear picture of the goals which are to be achieved, how long and how large grants will be required, and what the program will look like when it becomes self-sustaining. That look should be compatible with the long-range objectives and nature of the institution. Wise selection of programs to be built is possibly the most essential phase of good grantsmanship. The development of a history and master plan will help to select those programs which can benefit most from federal grants.

When the master plan has been sketched, annual budgets for each of five years in the affected areas should be developed in broad categories. Development checkpoints by which annual or semi-annual progress can be determined should be incorporated. *These checkpoints are extremely important* both for the information they will give to the college and the measures they will give to the federal officers as to the progress of the program.

The annual budgets will help to point out the need for grant funds for each year and the march toward the self-sustaining objective. The request for funds should be realistic and derive from a carefully conceived budget. "Loading" of the fund request is poor business and will lessen the appeal of the application. Remember, the purpose of many grants is *to help the institution help itself!*

The case for the grant needs to be developed. It should include the deficiencies in the current program; the master plan to remove these deficiencies and strengthen the program; the course of action to be taken in at least the first year after grant funds become available; the required budget; and the schedule of implementation. Reference should be made to the advice received from agencies or individuals who have studied the college's program as it relates to the area to be developed by the grant.

5. A well-conceived program may still fail to be supported by a grant unless it is communicated with appropriate skill. You will have access to the individuals making a decision for or against an award only through the written narrative of the grant application. Great care should therefore be taken in presenting the case. Pertinent data should be presented in capsule form. Purposes should be accurately and clearly stated. The course of implementation should be outlined concisely. The role of self-help on the part of the institution should be emphasized. Program evaluation checkpoints should be listed. Costs should show careful calculation. Throughout, economy of words will permit the inclusion of more supporting data and result in a better impact on the reader. Remember, the reader is experienced and will quickly detect the carefully conceived, imaginatively developed, relevant and realistic program from those concocted merely in the hope of getting a grant. If the program makes good sense to your institution it is likely to make good sense to the panel if you convey it well. Therefore, prepare a clear and concise application narrative. A good writer is essential. The narrative should be read by other members of the staff to determine how well it conveys the intended program.

6. Finally, the application should have a business-like appearance. A good choice of type and duplicating process has an unconscious effect on the panelists. Proper arrangement and reference to data charts is important. The more readable, concise, and appropriately located the information is, the more likely it is to be read.

Once a grant has been received and the program is in operation, regular reports should be made both to the faculty and administration and to the agencies as required. Often, in-between and casual visits with federal officers are helpful and they are certainly appreciated.

What areas of the college program should receive greatest emphasis in such applications as for Title III funds? Areas of greatest importance include effective administration and good teaching. In administration, finances are currently of greatest concern. The development of an effective Office of Development is necessary for the survival of any college. Further, progress in this area will have the longest and greatest impact on the capacity of the college to do its job. It should rate very high in priority. Conservation of funds through careful management is a second area. Therefore, the business management of the college is crucial to its survival as a worthwhile institution. If these two offices are well staffed and highly effective, we will have the resources to accomplish the other objectives. I suspect that these are areas which will be looked at with great sympathy in the decade ahead not only by the government but by foundations and corporations as well.

It is not the purpose of this paper to list grant programs in any detail. Title III, Title VI, and student aid programs are well known to us. However, there are others less well known with which college officers will become acquainted as they study the catalog referred to earlier.

For example, there are the small project grants of the Cooperative Research Grants. These are grants of less than $10,000 for research projects which can be completed in less than eighteen months. These are highly appropriate for many of the faculty projects. Often a good small project grant can result in unearthing promising areas of research which can be funded through major research grants. Some of our colleges have received grants in six figures which grew out of small project grants.

Section 236 housing is another new and highly appropriate program which many colleges should be able to use effectively. Pacific College, through a limited distribution corporation formed by faculty members, is now constructing 56 apartments at a total cost of $700,000 entirely financed by an FHA loan. Out of the total debt service for principal and interest of $63,000 per year, $42,000 will be covered by annual interest subsidy grants by the federal government. This results in low-cost housing for students. The effective interest rate is 1% which is much better than loans under the college housing program. Further, the faculty corporation received an actual $65,000 interest in the project for its efforts.

Local and National Business Community Involvement in the Development Program

Donald P. Watters

It gives me a great deal of satisfaction and personal enrichment to share in a conference such as this, with such a distinguished group. I recall a similar workshop which John Leslie, vice president of ACPRA, conducted in Portland, Oregon almost eight years ago. I was a participant, newly recruited from the corporate world; and there were some in the group who had evolved from a faculty background, who shook their heads and informed me that I was in the wrong profession and "would never make the grade." There were others such as John and Milton Smith, formerly of Macalester College, and the late Frank Sparks of CFAE, who took me under their wings, and much of their advice has been indelibly inscribed in my memory through the years.

My participation here as a counselor is intended to be in some small way a repayment to such men and to friends among this group whose ideas and advice have been of invaluable aid to me and my institution.

First, let me qualify the premise from which I speak. I represent a small, private, Methodist-owned university located three miles from the heart of Oklahoma City. We just turned sixty-five years old this year and although we say we are not yet ready for social security, heaven knows that there have been times in our history when we could have used it.

My topic is especially pertinent to Oklahoma City University because this school is a living testimonial to the efforts of a business community which literally lifted O.C.U. by its own bootstraps and provided the catalytic action necessary to give it a face lifting and an academic program which has great promise. The background story which I am relating began back in 1960 when a group of businessmen from our community and a former president met after three years of self-study and decided to seek the guidance of one of the nation's great universities. M.I.T. was chosen and former Chancellor Julius Stratton graciously consented to assign a consulting committee to work with us. The news media referred to it as a "big brother" arrangement, but it resulted in annual visits and an exchange of ideas which reshaped our University and changed the course of our history.

We called this intellectual alliance "The Great Plan," and the unique idea sparked financial support which has more than tripled each year since then from the community. Gifts from our United Methodist Conference also tripled and are continuing to grow each year. The exchange of ideas between our faculty, department heads, deans and the administrators had an equally profound effect.

"The Great Plan" and the business leaders behind it were influential in attracting the confidence of The Ford Foundation and earned us a $2 million matching grant which was completed in 1965. This produced an even further reaction from our local business community, in stimulating their support. Although we stand in the shadow of two great state universities nearby and we are surrounded by ten other private and state colleges within a thirty-mile radius, the city seems to take a special sort of pride in O.C.U.

"The Great Plan" recently reached its tenth anniversary and to commemorate the event we invited Dr. Howard Johnson, president of M.I.T., to speak at our commencement. He confirmed the significance of this collaboration and the benefit that has resulted to his institution. Every person at my University will echo his words and give an equally enthusiastic report on how effective this association has been for O.C.U.

Each college present has its own particular relationship with its local and national community. No two are the same; and programs designed for M.I.T. or O.C.U. could not be superimposed on your university program. We found this to be true in our case. I have patterned alumni campaigns after successful Dartmouth programs only to find that they did not work in our community and had to be tailored to the area.

We found many ideas M.I.T. was using stimulated new ideas for programs of involvement, which could be designed for our community. For example, Dr. Vincent Fulmer, vice president of Development Programs at M.I.T., has structured departments under his supervision covering more than twenty-two areas of business and community involvement. An institute liaison officer has twenty-two people working full time in this area alone. Their concern covers executive development programs, cooperative courses, corporation visiting committees, industry exhibits, reciprocal activities with vendors, faculty consultants in industry, and sponsored research—just to mention a few areas of involvement.

We found that we could establish a similar pattern and involve corporate leaders and their families in campus programs. Corporate heads and managers are often invited to the campus to participate in classroom activities as speakers and resource persons. Tax clinics, small business workshops, and personal enrichment courses have been offered to management groups. Teacher workshops, language, art, drama and music workshops bring in groups interested in the arts.

We have a summer musical theater program, which the development office was instrumental in organizing, to serve a wide range of interests. In addition to the entertainment and employment benefits offered, the musical programs have a seasonal attendance exceeding 50,000 and often involve many of our corporate heads, their wives and families as volunteers in conducting the promotion of the programs.

We have had success with a group of "Scholarship Associates" comprised of business leaders and we are planning to start a "Friends of the Library" group.

We have also found many ways in which we are deficient in properly communicating with our business communities. I think each of us may be guilty at times of the failure to adequately communicate our programs and offerings to our local constituency and we are equally guilty of failing to inform our students of the role that business leaders are playing in underwriting a part of the cost of their education.

Mr. Robert G. Tyson, chairman of the Financial Policy Committee of United States Steel Corporation, speaking to representatives of the Independent College Foundations at their annual meeting in Miami last March, stated that major corporations are disappointed in the lack of understanding that today's student has for this important role that the corporation is playing.

Each of us needs to give greater recognition to corporations for their support but we also need to communicate to the corporate world the potential that they hold in making an even greater contribution to higher education. Corporate giving for 1969 is estimated at $900 million. In the past ten years their gifts have surpassed $7 billion but this represents less than 1% of their corporate pre-tax profits. Education is getting 37% of this total figure. In the 1968-69 year, the Council for Financial Aid to Education reports corporate giving at more than $340 million which represented a 13.9% increase over the previous year. Generous as this may be, corporate giving to higher education is still well below that of alumni, foundations, and individuals.

Even the Council for Financial Aid, which was fostered and financed by industry, is critical of industry's support. In their 1968 report they state that corporate giving "reflects for the most part a relative handful" (of the more than 700,000 corporations in the nation). "The companies," they say, "are just the highly visible top of the iceberg. An elite group, they do not constitute the business community—the utilities, the banks, the insurance companies, the department stores, the medium and smaller-sized manufacturing companies. Even many of the giant-sized business concerns so far have been taking a free ride on higher education, on somebody else's investment, and have not committed themselves to the aid-to-education movement in spite of the fact that it is clearly in their interest and in the national interest."

"Management must ask itself questions and come up with honest answers:

- What must it absolutely have in the way of new knowledge, of better-educated manpower, of improved economic, political and social understanding, if it is going to survive to achieve its objectives over the next decade and beyond?
- Does it understand that you cannot requisition manpower and knowledge on the day these are needed, but that these products of education must be planted and nourished before they can be harvested?
- Does it even know how many graduates, and of what disciplines, are in its work force, and how they are being used? Does it know what higher education costs, who actually paid for the present inventory, and what the prices are going to be for tomorrow?
- Finally, is this regarded as an important business problem, calling for planned investment, or is it still merely a philanthropic reaction to outside pressure?

"If such inquiries are honestly made and earnestly pursued, somewhere along the line management will come to an agreement on its philosophy relating to higher education."

There is little doubt that the current economic depression will have its effect on corporate giving. Many of the larger corporations are already beginning to look for ways of cutting costs but the picture is not as bleak as the doom-and-gloom soothsayers have painted. During the past decade corporate income sprinted ahead 93%; personal income did even better, rising 95%. It is predicted that the U. S. economy will turn out 47% of all the goods produced by the free world during 1970.

According to Johnson's Investment Company charts, the corporate economy of the U. S. increased net earnings during the nineteen-sixties by 78%. In the same vein, corporate dividends comprised less than 25% of cash flow, indicating that industry is plowing back the bulk of its profits to assure future growth.

Higher education did not get its rightful share, because I submit that a part of industry's future growth rests in the hands of the fledgling managers being recruited from today's colleges.

These are the dedicated 96% silent majority who are working for their future while the other 4% are involved in campus unrest.

The real problem in higher education is that our income is not sufficient to cover increased costs. A part of this message and our campus developments can be communicated to our local communities by newsletters and printed materials, but the major story has to be told on a person-to-person basis.

A few years ago, I visited with Dr Chester Alter, former Chancellor of Denver University. He told me about the successful breakfast program which he used in communicating with the business leaders of Denver preceding a campaign. Businessmen were invited in groups of fifteen to twenty to have breakfast with the president and campus representatives on successive Wednesday mornings covering a period of eight months.

I encouraged the president of O.C.U. to copy this program preceding a campaign in 1968, and we found it a most effective means of intimate communication to convey the university's program to corporate leaders and at the same time be sensitive to their needs.

As I prepared this paper, I did some soul searching on the deficiencies of my own University in the area of corporate liaison and I find that like many metropolitan universities, we have become complacent in dealing with our publics. We have taken them for granted. Robert Tyson reports that corporations—yes, even U.S. Steel—appreciate recognition, and few universities are doing an adequate job in this area.

C. R. Matheson, business and industrial liaison officer for Duke University, says there is a need to give greater attention to the quid pro quo or reciprocal business interest of corporate dealings. It's just good business to buy from firms who are supporting our institutions. There is a need for each of us to establish teams of liaison faculty and administrative personnel who have the specific responsibility of communicating to an identified group of major corporate donors.

Faculty members need to be informed of alumni and corporate leaders with depth of experience in each area of teaching and encourage the use and involvement of these people as resource persons.

As a student in college, I found that the experience of a professional was much more meaningful and believeable than the comments of a professor who was merely quoting from the textbook.

No one really knows what lies ahead in the future of corporate support. The Tax Reform Act of 1969 will undoubtedly affect the giving of the more than 2,000 corporate foundations which handle 70% of all corporate contributions. Campus unrest and the state of our economy will have its effect.

I recently completed calls on fifty bank presidents in the state of Oklahoma, and although there was little criticism of campus unrest, and there was praise for the stability of the private university, I feel that this is a time that each of us should be alert to the strengthening of our corporate and community relations.

The auto industry reports that it faces the greatest crisis of its history. An inflated economy is feeling the stress of government-imposed confinement, and colleges across the nation are feeling the financial pinch that comes with inflation.

We can hope that all of this is temporary and with proper planning and a lot of hard work to keep our programs current and relevant—both to the student and to the community—we can weather this crisis and be stronger and more efficient as a result of it.

A Parent's Program

C. C. Nolen

The other day in Fort Worth I had lunch with a senior vice president of the largest bank in town to discuss the forthcoming campaign for the TCU Research Foundation. This man is an alumnus of TCU and Vice-Chairman of the TCU Research Foundation. Although I was with him for almost two hours we never discussed the Research Foundation, and we discussed TCU only by comparison. The reason for this was that a development man from Vanderbilt University was going to be in town two days later, and my banker friend was in the midst of preparing a luncheon for some "friends" of Vanderbilt. The reason for his interest and enthusiasm for Vanderbilt soon became obvious. His son just concluded his freshman year there, and when he went to the campus in May to pick him up, he was greeted by the parent's "hospitality committee" and was prevailed upon to join the Vanderbilt Parent's Club.

This little episode demonstrates some of the basic concepts concerning a Parent's Program. First of all, during the time a student is enrolled in school, his parents generally are more interested in his college than they are in their own. This is especially true if changes have taken place in the parent's alma mater since they were in school. My observation of parents leads me to believe that this interest begins even before the student actually enrolls. In fact, it begins many times before word has been received that the student has been accepted, *if* that is the school that the student has set his heart on. Notice I said *while* the student is in school. I think this brings up a second point.

That is, the parent's interest seems to be pretty well confined to the time the student is actually in school, usually a four-year period. Therefore, in a parent's program we have to begin early and work quickly, since we don't have as much time for the usual cultivation and solicitation process. Not only does the parent's interest wane after the student leaves school for any reason, but especially after graduation. We have had practically no success with parents of graduate students and we find very little success once the student leaves school for any other reason.

A third basic concept seems to be that the parent is conditioned by the attitude of the student. My conversation with the banker vice-president would tend to belie this fact because his son is seeking to change from Vanderbilt to another school, but the parent is still interested in doing what he can for Vanderbilt. I have not talked with his son so I don't know the answer in this specific case, but I have talked to enough other parents both at a state school and a private school to believe that the parents take their direction in attitude about a school from their own children. If the student has had a bad experience, the parent is likely to blame the school and find fault with it.

On the other hand, if the student has had a happy experience or even a moderate one, the parent interest is high. This fact is borne out by the unsolicited gifts that come in from parents. Presently, we have no parent's solicitation program at TCU, although we have plans for that this fall. Our most recent unsolicited gift from a parent was $1000. Later on when I describe the basic elements which should be included in any parent's program you will note that I have violated one or two of them at my own institution. That does not detract from their validity, however.

Fourth, for many schools, the parents provide a source of gift income which can be much higher on the average than could be expected from alumni. I am constantly amazed at the quality of our parents. For instance, last fall when we planned a luncheon meeting for business leaders in the Wall Street Club of New York City, it was a parent who hosted the occasion. No alumni of TCU that we knew of were members of the Wall Street Club, and only about five or six held business positions comparable with some of the parents we wished to invite or the man who hosted the occasion. Because so many of our early alumni were oriented toward one geographical section of the country, this experience can be repeated over and over as we go into the urban industrial areas in search of gift resources. Obviously Vanderbilt feels the same way about the business community of Fort Worth, Texas.

Fifth, should be a word of caution. Anyway you look at it, parents have already paid or will soon pay most of the cost of supporting their student in school during a given period of time. Theoretically, they are paying all that is asked of them and so the old alumni argument of having an obligation to the institution does not hold. We can't even say that the parents have some responsibility for the welfare of the school because they have not paid what was asked. It is true, however, that the parents are the first to realize that any gift money that does come in can go directly to improve teaching, or some other basic element of the school, thereby improving the educational opportunity for their students. In this respect, the argument for parent support is even stronger than the argument for alumni support. The word of caution is to be careful, remember who the audience is, and exhibit special appreciation for any gift that comes in, because, after all, the parents have already given their most precious gift to you, their student.

Jim Triolo, Vice President for Development, Willamette University, Salem, Oregon, some years ago wrote a monograph on a parent's program for the educational fund-raising manual of the American Alumni Council. In that article, Mr. Triolo outlined three basic objectives of a parent's program. They are: (1) to generate and maintain the interest and good will of parents of current and former students in the university. (2) to inform parents about the university, its background, present work and future plans. (3) to promote the welfare and advancement of the university by obtaining the financial support of the parents. In anticipation of a parent's program at TCU, I have gathered material from several schools across the country, and I find that these three objectives are just as valid today as they were when this monograph was written. It is interesting to note, however, how many schools deal with the first two objectives and have postponed or forgotten about the third one. Some schools add a fourth objective and that is to allow the parents to have an agency through which they can present their needs and concerns to the administration of the school. This does not seem to be a common objective, however.

How do we go about implementing a successful parent's program? If it is important to be of concern to the development office or some other office, then it must begin at the top. Let me read you a copy of the resolution passed by the Board of Trustees of Texas Christian University at its last meeting in anticipation of the parent's program this fall.

> Whereas a group of interested students, parents of students currently attending Texas Christian University gathered informally during the past weekend to study the question of a parent's organi-

> zation, and whereas Mr. R. F. Forsythe, Winona, Minnesota, the father of three current TCU students, served as spokesman for the group, and whereas Mr. Forsythe urged the Chancellor to bring the question of such an organization to the attention of the Board of Trustees, now, therefore be it resolved that the Board of Trustees approves of the idea and requests that the Chancellor encourage the implementation of a parent's organization during the coming months.

In this case we ask a group of parents to come together for the purpose of discussing the question. However, sometimes this can come about naturally. Parents themselves can initiate the question. Certainly parents should be involved from the outset, one way or the other. Now that the Board of Trustees has instructed the Chancellor to concern himself with this matter, we're in a stronger position to begin.

Obviously we have to know who the parents are. Some form of information sheet needs to be filled out at registration, which gives us the name, home address, business address, company affiliation, and, most importantly, business title of the parents. It is also nice to know whether or not the parents are alumni of the school, and sometimes what schools they are alumni of. Data processing can accommodate this quite easily although we're still using handwritten information cards for this purpose.

Communication has to be started as soon as possible.

All parents in the fall receive a special printed letter from the Chancellor. With this letter is a reply postal card which allows the parents to receive the alumni magazine if they so desire and are not already doing so. This begins the process. The letter from the Chancellor also contains an invitation to Parent's Weekend, which is held in conjunction with one of the football games. Parent's Day is handled through the office of the Dean of Students and has a regular student committee that functions year-round to plan and implement this. This is the time the parent's organization will gather and conduct any necessary business. An annual meeting of this sort seems to suffice, although at the University of Texas we had both the large meeting in the fall and then a spring meeting to which only the Executive Committee of the Parent's Organization was invited.

The use of an Executive Committee is one way of organizing the parents. At one school a representative is appointed from each Congressional District in the state and serves for three years. Five out-of-state representatives covering broad geographical areas are appointed also. In addition to this, five vice-presidents are selected, and this is the process whereby a president is selected. Staggered terms are arranged so that only one-third of the Executive Committee is up for replacement or renewal each year.

In some cases, the mothers only are organized. And in one instance I know of, only the dads are organized.

Any method can be used so long as there is some formal organization that is visible and can carry on a program in the name of all of the parents. Although I have not actually experienced the use of parents in a regional face-to-face solicitation effort, we intend to do that as our campaign progresses. Most parent's organizations that I know of confine their solicitation pretty much to a mail effort.

In any event, parents can become a dependable source of gift income for a college. Also, parents can become a dependable source of volunteer leadership. Some parents can become the most knowledgeable, dedicated and articulate spokesmen for the school that we have. For these reasons I urge you to consider parents specifically in your development plans.

Church Involvement in the Development Program

Paul E. Sago

The Problem—Circumstances which Negate Church Involvement

"To be or not to be" is not the most critical question facing church-affiliated colleges and universities in the United States. The more pertinent questions which necessitate a studied and unapologetic response from administrators and trustees of church-affiliated institutions of higher education are: In view of stated and published purposes, what is being accomplished? What are the goals of the institution? What do we aspire to be? On the other hand, what should we determine not to be?

Shakespeare said it. Perhaps he never considered church-affiliated higher education; nevertheless his words have real impact for such institutions. "To thine own self be true, And it must follow, as the night the day, Thou canst not then be false to any man." To understand institutional obligations, opportunities, goals, and purposes in order to foster more effective relationships is a help—if not an absolute necessity—for a church-related college.

For decades church-related institutions and their supporting religious groups have engaged in a continuous "lovers' quarrel." In most cases the cause is lack of communication! Some of the squabbles have ended in separation. However, the usual result of such conflict is a diminishing of church financial involvement in the institution's development program. Prior to continued or renewed attempts to involve the church in a development program, it is imperative that the institution pinpoint explicitly its purposes, position, present and long-term objectives and communicate them clearly to the church constituency.

One midwest church college with which I am acquainted has been in a vicious cycle of misunderstandings and diminishing returns for the past ten years. The situation is typical of many others across the country. The series of unfortunate circumstances may best be presented as follows:

(a) The attitudes and actions of college administrators and the course of events at the institution were interpreted by religious leaders as a denial or embarrassment to the faith and principles of the founding and supporting group.
(b) The religious group gradually withdrew student and financial support.
(c) The institution in an effort to survive sought out students and financial support from areas clearly outside the recognized church constituency.
(d) The religious group recognized the institutional course of action as "proof" of the college's determination to rid itself of church affiliation.
(e) College officials reacted defensively and/or smugly.
(f) Rumors fly. There is polarization. The breach of misunderstanding grows deep and wide. On and on . . .

Significant church involvement in the development program of church-affiliated institutions requires a clear understanding of relationships. The gulf between an institution and its supporting church is never permanently bridged through the use of costly, slick and/or colorful brochures and frequent news releases. What an institution is actually doing or appears to be doing may speak so loudly that the supporting church fails to hear what the institution says.

Communication and Cultivation

Before making specific plans calculated to produce financial support from the church the following course of action would prove fruitful for most church-affiliated schools.

1. *Review Institutional Purposes and Objectives*—Schedule a series of meetings which involve administrators, trustees, and carefully selected faculty, alumni, and students to study the purposes of the institution. Do those purposes stated in the institutional charter and usually printed in the college catalog actually represent the

college's reason for being? Many college administrators quietly disregard the historic purposes as a group of highly idealistic trite phrases which have no bearing on the course of the institution. The first step to a successful development program is an honest rethinking of stated purposes. It is probable that the church constituency has read the purposes for years and formulated an image to which they contrast the actual "obvious direction" of the institution.

Recently, the institution which I represent reviewed its purposes and specific objectives in preparation for a ten-year report to the North Central Association of Colleges and Secondary Schools. The result was not so much a change of institutional posture as an updating of the public statement. The process involved administrators, faculty, and students—it was honest, agonizing and therapeutic. We were pleased when the North Central Association review team stated in their report—"Clearly, Anderson College's total program is directed, in manifold ways, toward implementing its basic purpose. Anderson knows what it wants, and uses every part of its community life to try to achieve it. In this sense there is a very large measure of institutional integrity at Anderson."

In order to relate effectively to its constituency, a college must know itself—what it stands for—and whose values should be evident in the institutional budget, curriculum, and the daily lives of administrators, faculty, and students.

2. *Assess the Role of the Institution*—Clearly set forth the institution's distinctive role within the total enterprise of the supporting religious group. This process involves realistic appraisal of what is actually being accomplished. List the distinct opportunities available at your institution but not presented by state schools or other private schools in the area. This step should not be interpreted as an attempt to create an image. The role of an institution is not determined by its printed materials but by what it actually dedicates all available resources to accomplish.
3. *What About the Product?*—Evaluate the institution's ultimate effect on students. What is the most valuable and lasting contribution which your institution has made (and is making) in the lives of her students which helps to accomplish the mission of the supporting church? State exactly what the college produces which makes it worthy of support.

Stating the Case

Thus far, I have mentioned items which must be determined in order to state the institution's *case*. The case should be a concise and interesting statement which answers the following questions: Why does the institution deserve financial support from the organized church and individual churchman? What are the religious and humanitarian benefits which come as the result of the college's programs? What is the institution's place in the overall mission of the church?

Don't Talk Need, Please!—Every organization has need. The key is service and a strong passion to take advantage of new opportunities. A serious and successful churchman is interested in intelligent stewardship of God-given resources. The case should indicate the college's ability and willingness to operate in an efficient and productive manner.

Listen to the Churchmen—Hear what church leaders are saying! An effective relationship requires that all parties be willing to listen as well as contribute verbiage.

Some institutions have established *Church Representative Programs.* The broad goal of such a program is to create college-related churches. Representatives are appointed in each major congregation, after consultation with the pastor, to act as a liaison between the local church and the college. This approach is to be distinguished from the old worn route of asking a local churchman to distribute institutional materials for the college or simply parrot news releases from the college. A major objective is to permit the local representative to tell college administrators ways by which the college can best serve the church. Even educators may overlook the obvious. The challenge is to listen (that alone helps) then act appropriately.

Church representatives may be brought to the campus for periods of orientation. The goals and specific objectives of the institution are stated clearly. Both weaknesses and strengths are discussed. With the college's future hopes written indelibly in his mind, the representative returns to his home congregation as an effective liaison. He will be prepared to perform many helpful services, i.e., introduce high school juniors and seniors to the programs of the college, host college representatives in the local congregation, etc. There is endless spinoff from the program. After firm relationships are established, the church representative will assist in spotting pockets of wealth and potential donors.

Early this year a man in Kansas called to tell me of a family (not related to our supporting church) who "wishes to work out some way through which their wealth may benefit an institution which trains young men for service to the church." In only a few weeks a gift of approximately $1.5 million was made by the family. The gift came as the result of the interest of an alert churchman whose vital interest in a college became infectious.

Speak Well of the Church—An experienced college administrator will strive to create a state of mutual admiration between the church and the college. Remember the old proverb—more flies are caught with honey than vinegar. (*Example:* Recognize the full contribution of the supporting church. When asked the amount of the church contribution to their institution most college administrators respond by stating the amount of an annual allocation from the district or regional church agency. Often the administrator bemoans the fact that the allocation is less than expected. However, one may add to the allocation wills, annuities, life income agreements, life loans, properties given through life estates, and capital gifts from churchmen. Most such gifts come as the direct result of the institution's church relatedness.

For the last several years Anderson College has received an approximate $250,000 allocation from our Division of World Service. However, in stating church support I would, in all fairness, add hundreds of wills from churchmen, many thousands of dollars from various deferred gifts, transfers of real estate by churchmen and several million dollars in capital grants from individuals within the church constituency.)

The Approach for Dollars—Many state and national religious organizations do not permit colleges within their jurisdiction to solicit funds by way of collections and offerings from local church congregations. In addition to this prohibition voluntary gifts from congregations are usually deducted from the established annual allocation to the institution. Consequently, it becomes necessary to seek other routes to the church and individual churchmen in order to significantly promote the development programs.

Appeals to the sponsoring church should obviously fall within areas of religious and/or social interest. Personally, I appreciate the opportunity to designate all church contributions for specific projects. By so doing, the finance officer or director of development has the opportunity to express appreciation for a contribution of particular lasting significance (as opposed to spending such gift money for janitor salaries, mowing the lawns, paying sewage bills, etc.). The following appeals are particularly attractive to individual churches and churchmen.

1. *Student Financial Aid*—including named scholarships, named loan funds, endowed chairs of Bible, etc. Student who receive financial assistance from church-related individuals or organizations should be encouraged to personally express appreciation to the donor.
2. *Deferred Gifts*—Churchmen, particularly individuals of older age, appreciate the opportunity to invest their life's savings in a church-related institution of higher education where there is opportunity to receive a fair income, some tax advantage, and at the same time promote the work of religious education. Plans include trusts, wills, various life income arrangements, life loans, etc.
3. *Gift of Property with a Life Estate Provision*—The following somewhat homespun ad, which appeared in our national alumni paper this July, has already brought significant results. This process for transfer of property provides satisfaction and some financial advantage for certain individuals interested in Christian Higher Education. Notice that the ad includes several key elements of motivational appeal—logic, tax advantage, religion, emotion, and sentiment.

4″ x 6″ • Back page • A.C. News • July 1970.

SURE . . . YOU CAN HAVE YOUR CAKE AND EAT IT
also
YOU MAY MAKE A GIFT OF REAL ESTATE
TO ANDERSON COLLEGE AND STILL KEEP IT

Consider this:

- By Warranty Deed, with a Life Estate provision, you may make a gift of real estate (perhaps the house you are living in) to Anderson College and reserve the use and/or income for your lifetime.
- Such a delayed gift of property usually constitutes a substantial tax advantage for you and your estate.
- You may arrange for your property to come to Anderson College after your death or the death of your spouse and have a good feeling right now because you know that the value of your property will promote our institution of Christian Higher Education.

- Gifts of real estate may be used to establish a Memorial in your name.
- Houses and things deteriorate . . . an investment in Christian Higher Education will continue indefinitely through the lives of generations yet to come.

For Additional Information Write or Call:

Paul E. Sago
Vice President for Financial Affairs
Anderson College
Anderson, Indiana 46011
Area (317) 644-0951

4. *Gifts to Establish Memorials*—Memorials may include buildings, rooms, sundials, fountains, furniture, shrubs and trees, flag poles, library books, etc. Such a gift establishes an appropriate and lasting tribute to a family member or friend.
5. *Cash*—or most any item of worth may be given to a church-related school with some tax advantage.

What Motivates People to Give?—The tax advantage may permit the donor to increase his gift. However, few individuals or organizations (churchmen or otherwise) give for reasons of tax deduction.

Church-related colleges have a real advantage in the gift market. For the motivation to give is primarily emotional and/or religious. Everything else, including the tax deduction, is of secondary value!

Prospect Research and Cultivation

G. T. Smith

General

Cultivation of special and major gift prospects is the most important task in any college development program. This is quite evident when one remembers that relatively few donors provide the bulk of gift dollars. It is generally stated that about 80% of the money in any fund-raising program is contributed by roughly 20% of the donors. This is probably an underestimate. An analysis of five major capital campaigns revealed that 1% of the donors gave at least 70% of the money (At one, Caltech, 1% of the donors gave 90% of the money!).

This phenomenon is not limited to capital campaigns. Likewise in annual funds, there is evidence that most of the funds raised are in gifts of $100 or more. And the highly successful annual funds receive a substantial total in gifts of $1,000 or more. Two years ago, the Cornell Fund reported that 488 donors of $1,000 or more contributed $1,535,138 of the $2,404,472 total; 2% of the donors gave 64% of the amount raised. An analysis of Wooster's total gifts for the year just ended indicates that 124 donors (2.3%) contributed $1,607,000 (80%) in gifts of $1,000 or more. Once again it is evident, regardless of the type campaign or program, that most of the money received by colleges comes from very few donors.

It is important, therefore, in planning a development program that appropriate attention be given to the research and cultivation of potential donors of special and major gifts (for purposes of this discussion, special gifts are defined as from $1,000-$10,000, and major gifts as above $10,000). In fact, if one expects that 80% of an institution's gift dollars will come from such donors, it is not unreasonable that 80% of one's development efforts should be spent in their research and cultivation.

During the past twenty years, many colleges and universities have developed systematic and successful annual giving programs. Some have even managed to establish an overall and balanced development program. Few, however, have given adequate attention to a *systematic* approach to the cultivation of special and major gift donors. During the next few minutes, I should like to outline a concept that has worked well for us in hopes that it may prove useful to you.

Process and Procedures

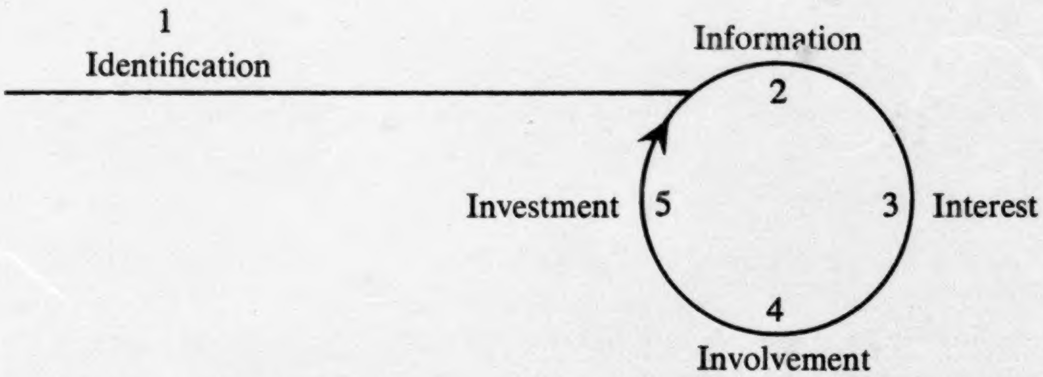
Research and cultivation of potentially large donors involves both a *process* and a *procedure*. As a process, it becomes a way of life, a continuing effort to develop the power structure, either actual or potential, of an institution. With careful adoption it can shape our thinking, lift our sights and direct our efforts.

There is a conceptual basis essential to this process that recognizes development as not merely a material concern for money. Fund raising is frankly more psychological than financial, for it is the human spirit and its aspirations that are our primary concern. If we are successful in expanding the *human* resources of our institutions, the financial resources needed will not be difficult to secure.

There is also a very definite and clear procedure to be followed in the research and cultivation of major donors. It involves five steps, which may be identified as follows:

1. Identification
2. Information
3. Interest
4. Involvement
5. Investment

In nearly every instance, the final four steps comprise a continuing cycle of finding additional information on the prospect, furthering his interest, getting him more deeply involved and, ultimately, receiving his added investment. This procedure may be visualized somewhat as follows:



1. *Identification*

Identifying an institution's best major gift prospects might seem to be a fairly simple and routine matter. However, just as the direction in which one begins a trip often determines the time and distance required to reach a destination, so one's list of prospects is important in determining the success of a development program. If we cultivate persons who are not good prospects for our colleges, then we have erred twice: first, in wasting time and effort on non-prospects, and secondly, in neglecting those who are in fact our best potential sources. Determining those who are *not* good prospects is highly important.

Most colleges receive their greatest support from persons closest to them. Yet these are often the people we simply take for granted. In preparing a list of top prospects, one should look first at members of the Board of Trustees, then move out to a total of no more than 20 or 25 names. This point was emphasized nearly ten years ago by Francis Pray when he observed that "around every university and college in this country there is a group of men and women, ranging in size from a half dozen to a few hundred, who literally hold in their hands the make or break power for the institution itself. Everyone of these people should be considered within the special gifts category, whether the influence is through money, political power, church position, corporate status, or social prestige."[1]

Additional top prospects may be identified by reviewing the institution's donor lists of recent years, considering individuals and business concerns in the local community, checking alumni biographical and gift records, and asking students for suggestions from their home communities (they will often suggest their own parents!). There will of course be additional sources of names for each institution. But as soon as the initial list reaches 25-100 names, it is time to stop.

I have found it helpful to prepare two separate listings of all prospects: first by category (trustees, alumni, parents, friends, foundations and corporations) and secondly, by priority of importance (in groups of five or ten). The second list represents an initial screening, and helps provide a basis for the next step, gathering information and data.

2. *Information*[2]

Once a list of potential donors is drawn, basic information should be gathered, and put into some meaningful arrangement. The normal procedure is to make up a biographical card and folder on each of the individual potential donors. Usually, the biographical card would contain the following information:

(1) Date and place of birth.
(2) Education—include secondary schools (when possible), colleges and graduate school.
(3) Name of spouse (or spouses) and when married. The maiden name of women is sometimes an indication of inherited wealth.
(4) The names of children and dates of birth.
(5) Jobs held—position and date.
(6) Honors and achievements (books written, patents held, etc.).
(7) Civic committees, consultantships and directorships.
(8) Clubs, particularly the most prestigious city clubs.
(9) Political activities—*The Congressional Quarterly* often lists major donors to the political parties and politicians.
(10) Financial—earnings and assets or estimates by others of the earnings and assets.

Obviously, all the information will not be obtainable, but completeness of information should be a goal.

The strictly biographical data can be found in many places, the most obvious of which are alumni files. College alumni researchers have a good head start when they begin with good alumni files, well maintained with clippings, correspondence, and questionnaires gathered over the years. Even when the alumni files are not complete, or such files just do not exist, there are some basic reference books. With these reference books and the careful scanning of newspapers past and present, information can be obtained on most people.

The basic reference book for biographical information is *Who's Who*. There are some 80,000 names listed in the main *Who's Who in America* and in the regional *Who's Who*, e.g., *Who's Who in the East*. Yet if you are looking for one of those 2,826,000 Americans who live in households with incomes greater than $25,000, the correlation

101

between being listed in a Who's Who and having an income greater than $25,000 is better in other sources as the *Social Register.*

Other biographical sources are the various specific occupation ***Who's Who*** such as ***Who's Who in Commerce and Industry, Who's Who in Labor,*** and ***Who's Who in Education.*** For biographical information and some idea of financial resources of lawyers there is *Martindale's Directory.* For scientists there is *American Men of Science.* For businessmen and for those who are directors of businesses there is *Poor's.* For government people there are the various city and state bluebooks (or redbooks) and at the Federal level *Registers* listing people in the various departments. For Congressional staff people there is the *Congressional Staff Directory.* For the Congressmen and Senators there is the *Congressional Directory.* Among one of the best sources of information, particularly because there is such a high degree of over-lap between being listed and having an income greater than $25,000 per year, is the *Social Register*[3] for the various cities that produce them.

The next step and the major task is to get financial information on the prospects. There are a few standard sources of financial information including the proxy statements of companies listed on the New York Stock Exchange. The proxies give the compensation and holdings of stock of all officers of the company making over $30,000. It also lists the compensation and holdings of all directors and those persons holding more than 10% of the stock of the company ("beneficial owners"). Unfortunately, for the researcher there are a good number of employees in these companies who are making more than $30,000 but are not officers of the company (in a strictly legal sense).

Each month the SEC issues a report of changes of stockholdings of officers, directors, and beneficial owners of companies which have filed with the SEC (i.e., had a security issue of more than $300,000).[4] The report also includes the changes made by the spouses of officers and directors, thus it is easier to keep track of a family's holdings. For holdings of bank stock, the *American Banker* periodically lists ownership changes in banks throughout the country. However, here the emphasis is on the smaller banks. For bank ownership, generally, there are the Patman reports which list the 10 largest stockholders of each bank belonging to the Federal Reserve System.[5]

If a family owns a business and the business is small, *Dun and Bradstreet* reports are a source of financial information. However, since the report goes into business details such as credit lines, major supplies, etc., and gives little financial detail beside an estimate of sales and an abbreviated balance sheet, it requires a fair amount of work to analyze how much money is being returned to the owners in salary and dividends. At the very least it requires some experience in credit work to analyze these reports.

An increasingly popular way to get financial information on potential donors is to use *Retail Credit Reports*. These reports are prepared by the Retail Credit Company which has hundreds of offices throughout the country, and files on one hundred million Americans (anybody who has ever asked for credit). The reports are popular because they are cheap—around four dollars, and are surprisingly accurate for the lower income end of the scale. They are weak, however, when an income is over $25,000 in that anything over $25,000 tends to get labeled as "over $25,000", but how much over makes a major difference in rating.

Finally, the best source of financial information on wealthy people is from other wealthy people who know them. Here two qualities are essential on the part of the person getting the information: (1) He must be knowledgeable about wealth and about wealthy people, and (2) He must inspire confidence. Without inspiring confidence that the information given will never be divulged, except for the institution's use, the researcher will walk away from the interview with no information. Usually, a sound technique is to take the list of people who have already been preliminarily identified as potential donors to a person who is knowledgeable about the persons listed. Often the person to interview will be the local banker, an investment banker, or major security salesman, a lawyer, or a person of like stature and knowledge. In presenting the list to the person, keep a duplicate, and then ask the person which of these people can give a named amount, say $1,000. As the interview progresses, other information will be divulged. However, it is usually a mistake to ask a man point blank: how much income does your friend have, how many assets? These direct questions will elicit a strong stare and a statement which in effect says for professional reasons I cannot disclose that information. Rather, wait and let the person receiving the list add the comments. With experience the interviewer learns how to nudge the person on so that he feels that he has not divulged any information. In reviewing a list with several people in this manner, certain preliminary ratings and financial information will be substantiated. Other information will require additional checking, but in the long run the information will prove to be rather precise.

Building such an information network to rate potential donors requires time, patience, and careful research work. The dividends are many, including the fact that the cost of fund raising drops appreciably if one knows whom to ask and for how much.

3. *Interest*

Once a prospect has been identified and basic information uncovered, the job of getting his interest begins. It is important to remember that while you have been thinking about him for several weeks or months, and finding out as much as you can about him he has probably given little if any thought to your college. The basic rule of cultivation comes to the surface right at the outset, i.e., that one must constantly view the situation from the potential donor's point of view, not from the college's.

Success with major gifts is related directly to one's ability to think of a potential donor more as a person than a prospect. Persons of wealth are usually complex personalities, and our job is to associate him intimately and genuinely with a college. The process by which we do this is cultivation.

It is important to recognize that initially the ground rules for possible interest and involvement are established by the potential donor, not by the institution. Our success depends largely upon whether or not we can accept them and, if so, whether we can fulfill them. Factors which may play significantly in developing a person's interest include the need to feel responsible for a cause, the opinions of his family and those with whom he associates and respects, his own need for personal recognition, other interests and commitments which he may have, his attraction to the specific purposes and programs of the college.

To begin, one of course places a potential donor on the institution's mailing list to receive most general mailings as well as certain other items of special interest. But caution should be taken in relying too heavily on these having a significant effect.

As soon as possible, one should consult personally with those who know him well to seek their advice on how best to get his interest. Often they will at least offer to arrange for an introduction or interview. Cultivation can then proceed on a personal level with visits to the campus, personal letters, special reports, and introducing him to those within the college (faculty, students, trustees, and others) whose interests overlap his. It is especially important to find certain specific things which you can do to render helpful services to him. These will go a long way in getting his attention and interest, thus paving the way for his involvement in your institution.

4. *Involvement*

What was said earlier about putting one's self in the situation of the potential donor is even more important when trying to involve him in the life of an institution. Cultivation has been defined as "the assiduous development of personal relations; to court intimacy with; to improve by labor, care and study".[6] And the big word in cultivation is *empathy* —the imaginative projection of one's own consciousness into the feelings of another.

The ultimate objective of involvement is for a person to be so identified with a cause that he thinks of it in the first person. This may take a variety of forms and may at times appear as only remotely connected with the traditional view of fund-raising. But people nearly always give to those causes about which they care, and they usually care about those things in which they are deeply involved.

One of the best ways for achieving involvement is to seek a person's advice and counsel. Sometimes this means membership on advisory committees, active participation in the development program, or ultimately on the Board of Trustees. More often, it is simply a matter of asking his opinion on a matter of concern to the institution that is within his range of interests and knowledge.

One of the great weaknesses of most college development programs is that too little attention is given to the *effective* involvement of potential donors. Cultivation should be planned with design and purpose, not merely going through the motions of personal contact. We have found it worthwhile to maintain an accurate record of past contacts and also to project a plan of action for the future, including an estimate of the timing and amount of possible gifts. This has had an obvious and definite effect on gift results. And by planning and scheduling specific moves from six to twelve months in advance, one can achieve a higher efficiency in the use of staff time and travel budgets.

In setting up a sound development organization, it is important that one person be assigned responsibility for calling the signals and coordinating all major and special gift cultivation. On occasion this may be the president, but more often it is the development director, provided he has the necessary background and sensitivity. In fact, this task should consume 80% of the top development officer's time.

5. *Investment*

"Cultivation begins when a prospective donor first hears about your institution. It should never end. But it reaches its highest point when he asks 'How much will it cost?' "[7] Although one may occasionally see tangible results within a few weeks or months, it is more likely that at least a year—often several years—will pass before a potential donor actually commits himself substantially to an institution. During this period, the pull between patience and persistence can be intense.

One of the chief reasons annual and capital fund-raising drives are usually successful is that they involve solicitation of gifts. In contrast, in our long-term development efforts, we often fail to present an appeal to a potential donor. Timing is of crucial importance. But failing to present a gift opportunity has probably lost more gifts to higher education than has asking at the wrong time. It is better to act, albeit imperfectly, than to wait forever for the perfect move.

Once a donor has made a significant gift, cultivation can move to a new and higher level. For in expressing gratitude, we can show the human quality of an institution with genuine sincerity. It goes without saying that every gift should be acknowledged when received; even the donor is expecting it. But if, in fact, the gift has a part in maintaining the academic program, providing a scholarship, buying books for the library, or maintaining the beauty of the campus, then the real opportunity to say "Thanks" will come in six months or a year when the effect of the gift is more fully known.

Concluding Statement

In planning for the research and cultivation of major gift prospects, it is essential that one allow enough lead time before substantial results are expected. This may often be from two to five years. Therefore, in projecting immediate support, one can look back over the past two years to get a view of what to expect. More importantly, by planning and implementing a systematic cultivation program in the years ahead, the long future of an institution may come more into focus.

Underlying all our efforts must be a central conception—even commitment—about man's nature and future. There are, of course, valid apprehensions, not only about the future of our colleges, but even the world's condition and the direction we may be going. But it seems to me that there is room at least for a cautious optimism about man and higher education. For we must believe—and certainly the experiences of each of us bears this out—that the good in the world far outruns the bad, that most men, most of the time, want to do the right things. Like Sophocles, in Matthew Arnold's phrase, we must "see life steadily and see it whole."

This vision of the wholeness of life, the integrity of learning and religion, can make our lives and work triumphant. The inspiration of such a life is what we—and through us, our colleges—can give to all those with whom we deal. And in giving it, we will gain the fulfillment of our own potential.

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1. Francis C. Pray, "The Future of Big Gifts—Trends, Sources", *The Big Gift,* ACPRA, November 6, 1961, p. 51.
2. This section is taken largely from a recent paper by Richard M. Schrader entitled "The Rating of Prospects."
3. Social Registers are printed for the following cities: Baltimore, Boston, Buffalo, Chicago, Cleveland, Cincinnati, Dayton, Dallas, Philadelphia, New York, San Francisco, and Washington, D.C.
4. *Official Summary of Security Transactions and Holdings,* published monthly by Superintendent of Documents, Government Printing Office, Washington, D.C. 20402. Subscription price: $9 per year.
5. "Twenty Largest Stockholders of Record in Member Banks of Federal Reserve System", Subcommittee on Domestic Finance, 88th Congress, 2nd Session; October 15, 1964, 5 vols.
6. *Webster's Third New International Dictionary,* G. & C. Merriam Company, Springfield, Massachusetts, 1963, p. 552.
7. Bernard P. Taylor, "Cultivation of Prospects", *The Big Gift,* ACPRA, November 6, 1961, p. 15.

Recruitment and Use of Volunteers

Dyar Massey

Someone wisely said, "A man is not all of himself. His friends are the rest of him."

Considering methods of securing more adequate resources for our institutions, we could appropriately paraphrase this thought by saying, "A college president is not all of himself. His concerned volunteers are his best means of securing financial support."

No institution can afford to employ all of the help needed to interpret the significance of its educational services or to secure the resources required for its operation. Therefore, its effectiveness as an institution may well depend upon the ability of its staff members to extend their outreach through the involvement of others.

We need not go beyond the problems of spiraling costs of operation and of bad public relations from general student unrest for examples of the necessity for dedicated volunteer support. Thus, the enlistment, training, and involvement of voluntary co-workers becomes a prime aim for presidents and their development officers. While the task appears to be a puzzle for some administrators, it becomes a rewarding opportunity for those who employ thoughtful techniques in working with people. The volunteers may well be our richest resources in both "friend raising" and fund raising.

Many of us, even when we know better, deal with volunteers somewhat like the lady who took an electric iron back to the department store soon after Christmas. She complained that the gift iron just would not work. A repair department test proved the iron to be in working condition. "Well, it won't work for me," she explained. "You see, I don't have electricity; so I plug it in at my sister-in-law's house across the street. Then by the time I get it back home, it's too cold for ironing."

Many volunteers are "too cold for ironing" because we're guilty of not really "keeping them connected."

It would be difficult to conceive of any functioning educational institution which does not have the benefit of volunteers. Some of them may need to be replaced, but at least a few represent a sound nucleus for further expansion of their essential participation.

Major educational, health, welfare, and youth-service organizations render their effective services today because of the active participation of many volunteers. Webster's *New World Dictionary* defines a volunteer as "a person who enters or offers to enter any service of his own free will." If that were really true, we would have a wealth of talent visiting our campuses daily to ask what they might do to help.

Volunteers are available, but they must be thoroughly recruited and skillfully assisted in their efforts. This then becomes an important task as we seek a steady flow of men and women whose skills and experience can be used in helping solve institutional problems and in advancing the understanding and support of our institutions.

Basically, our great need is people who can and will influence others. We need strong advocates who understand our colleges and who "sell" our strengths. The "sale" may be for annual support, for a major capital gift, in student recruiting, in the interpretation of faculty or administrative decisions, in securing greater news media attention, or in countless other ways of strengthening the institution and its image.

An observant expert at working with volunteers has estimated that only about a third of those enlisted will perform with a minimum amount of prodding; another third will function moderately well with prodding, and the other third are no good at all and not worth the time to call them. This emphasizes the necessity for thoughtful attention to the recruitment and involvement of volunteers, because we will benefit tremendously from their efforts when skillfully used.

A major source of volunteer leadership should be the college's board of trustees. As a group, they already give a great deal of time and support to the institution. In accepting membership, they have assumed major responsibility for establishing policy and for conserving institutional resources. If the full extent of responsibility has been made clear as each accepted membership, every trustee should be aware of his obligation to assist in securing the resources required by the college.

Trustee membership is an honor indeed, but it must be accepted as much more than an honorary position if maximum trustee talent is to be effective. Several years ago, University of Chicago Trustee M. I. Akins commented that "The worst waste in higher education is wasted talent of private college and university trustees." What a challenge for improved relationships!

College and university trustees generally represent a select group of business and professional men and women who have proven themselves as leaders in their respective fields. Imagine the tremendous gains which should be possible if their knowledge and leadership could be harnessed in every phase of our institutional programs. When we relegate qualified trustees to the fringe problems in education, we are short-sighted indeed. Trustees can and should be the most potent forces for increasing the effectiveness of higher education.

When a college board includes any significant number of unqualified trustees, an immediate problem is improving the process of trustee selection. Even more care should be given to the choice of trustees than to faculty selection. The importance of their participation cannot be overestimated. Because they are best acquainted with the institution, they should take the highest offices in the institution's development program. When trustees fill effective leadership roles, other volunteers can be expected to follow with enthusiasm.

Alumni represent a major group of potential volunteers. The alumni association itself should be a good training ground for leadership. Wisely cultivated, an alumni association can be a significant spokesman for the administration. But this is possible only if the administration shares hopes and plans for the institution with alumni leaders and welcomes suggestions and criticisms as well as plaudits.

Parents are also good prospects for volunteer activity in behalf of the college. This may include public relations efforts and student recruiting as well as fund raising. The nature of their efforts will depend upon the kind of training program which can be undertaken to insure their full knowledge of responsibilities. Like trustees and alumni, they must be kept informed of activities on the campus and of plans for the future.

Local community leaders who take pride in the institution as an important phase of community life constitute another valuable source of leadership. The local tie may be much stronger than a community leader's relationship to his own alma mater in some distant city.

If your institution is church-related, don't overlook the opportunity to attract volunteers from the church constituency. The church relationship often provides good reason for recruiting a volunteer who might otherwise have no interest in the college.

Many potential volunteers await our recruiting from trustees, alumni, parents, community leaders, church constituents, and other friends. So, where do we go from here?

Although most of these comments will be concerned with the work of volunteers in fund raising, the principles can be applied to all other activities in which volunteers may be asked to participate.

Let me emphasize the fact that thoughtful planning must precede effective use of volunteers. Time devoted to consideration of all that is needed and desired from the volunteer will pay great dividends in improved results.

What exactly do you wish this volunteer to do? Is he to solicit five prospects in a general division? Is he to chair a committee on public relations policy? Will he be asked to organize a division to solicit business firms in the community? Or, is he being enlisted to solicit a couple of prospects for $250,000 each?

Unless you and your associates know step by step the specific job you wish this volunteer to fill, you do not know exactly what kind of man you need. In its publication, "Placing Volunteers," the American Red Cross wisely asks that written job descriptions be prepared after requirements for each job have been determined and suggests that each description include:

"The general nature of the work, where performed, and for what purpose; specific responsibilities and duties; the time required, including specific days and hours if the job is a regularly scheduled one; the amount and kind of supervision given; the facilities and the equipment provided; the necessary qualifications for the job, including (1) sex and age, (2) any specific health or physical requirements, (3) essential or desirable education and training, (4) necessary or helpful experience, (5) needed skills and abilities, and (6) other requirements, such as having a car or a telephone; the training required prior to assignment."

Although not all of these items apply to volunteer jobs we will seek to fill for colleges, the written job description does offer a sound guide for those choosing volunteers as well as for the prospect who needs to know just what is expected of him. If the prospective worker is asked to do a specific piece of work for a definite period of time, he is more likely to accept that he would be if the assignment appears hazy and interminable.

When the job is adequately defined and prospects have been suggested to fill the position, each should be considered thoroughly in the light of question number two: *Can he do what needs to be done?*

Consider the job description in relation to his talents, his experience, his ability to work with people and to get people to work for him, his status in the community or in the constituency with which he will work, and his ability to influence others. Perhaps other factors will also come to mind in a sound analysis of the prospect in relation to the task to be accomplished. And don't overlook asking, "Do we really want this man in a position of importance as a representative of our institution?"

Some years ago a volunteer organization ranking just beneath a college board of trustees became concerned about the institution's need for more business support from the community and offered their leadership in the solicitation effort. Their desire was commendable and some good support resulted. However, a sad mistake was made in assigning the prospect cards. Names of prospects were read to the group and members were permitted to select their preferred firms.

Several ambitious men on the way up in their own organizations requested and received assignments to solicit several major firms in the community. They looked forward to visiting the top business executives, but they did not have the same community status as the men on whom they called. Results were disappointing, because the solicitors did not have the leverage to secure generous gifts. The wrong volunteer has been permitted to make the call.

"Can he do what needs to be done?" should bring a "yes" response to give reasonable assurance of success.

If all looks promising and we're convinced that the prospect can do the job, we need to settle another question before he's asked to assume responsibility. He has the qualifications, but does he have the "desire"? So, major question number three is, *"Can he be motivated to do effectively what needs to be done?*

How strong is this man's commitment to your institution? Has his performance been good in other volunteer assignments for your college and/or for other causes? When he accepts responsibility, does he achieve effective results by his own voluntary effort? If he has never worked as a volunteer for your institution, do you have ample reason to believe that he can be motivated to give your cause top personal attention to carry out his assignment?

The matter of personal performance by the volunteer is of great importance. Beware of the executive who readily accepts responsibility and then turns the task over to an associate or to his secretary. As a member of the Kiwanis Club of Atlanta, I recently had a call requesting my assistance in making an inter-club visit with another Kiwanis Club.

I am a member of the Inter-Club Committee and have an interest in this phase of our Club's activity. But the call asking my assistance came not from the fellow-member of the Inter-Club Committee, but from his secretary. I easily found an excuse and did not go with the group. Had the fellow-member called personally, I would have had difficulty saying "no" to his request.

Discussing the vital role of campaign leadership in his book, "Designs for Fund-Raising," Harold J. (Si) Seymour points out that the bigger the cause and the bolder its objectives, the more likely it is that a top leader will somehow emerge. He goes on to say:

"Such men are of course rare. But they are always worth looking for and waiting for. They bring warmth and confidence to the cause. They have a way of attracting interest and the loyalty of effective and devoted lieutenants. They give the required amount of their talents and their time, the best of them realizing, I think, that there is nothing more dangerous than the second-class attention of a first-class man. . . . And, finally by the example of their own words, deeds, and gifts, they help to set high standards of campaign performance and thus invoke a broad and adequate response of enthusiastic and sacrificial support."

Capable and dedicated volunteers "move mountains" in advancing causes in which they are fully committed. Top leadership has been able to succeed even with a weak case, but rarely can any campaign reach its objectives with weak leadership.

"The Duke of Wellington is reported to have said that Napoleon's presence in the field was worth to the French 40,000 men," Robert F. Duncan states in "The Essentials of Philanthropic Fund Raising." He then emphasized, "How true this principle is in raising money! A Mrs. Dwight Morrow at Smith, an Edward L. Ryerson at The University of Chicago, a James R. Killian, Jr. at M.I.T., a James F. Oates, Jr. at Princeton and others too numerous to mention have inspired other leaders and workers to 'win the day' for their colleges and universities."

The most effective leadership can be expected to come from within the institutional family—from trustees or from the alumni. Recruitment is the business of the ranking officers of the volunteer effort, with counsel and perhaps assistance from the paid staff. Thus, the preferred starting point is the chairman of the board of trustees recruiting a key associate for some major responsibility.

In the case of the capital campaign, the president, the development officer, and professional counsel would confer with the board chairman in considering the best potential campaign chairman. The president might well assist the board chairman in making the recruiting call, but

SIL 113

prime responsibility for the recruitment would rest with the volunteer board chairman.

Volunteers enlist volunteers with whom they can work most effectively until the desired organization is completed. Recruiting should be accomplished step by step in light of the three major questions: (1) Just what do we wish this volunteer to do? (2) Can he do what needs to be done? and (3) Can he be motivated to do effectively what needs to be done?

Enlisted volunteers require considerable assistance from the staff of the institution. Occasionally we see circumstances where a good volunteer is enlisted and the staff sits down, saying in effect, "We'll see whether you can do the job." Let's never forget that we're engaged in a joint enterprise requiring effective leadership of volunteers out front with a strong staff in supporting roles.

In his presentation on the "Profile of A Volunteer," at a recent ACPRA Institute in Atlanta, Dr. Billy O. Wireman, now president of Florida Presbyterian College, gave this very sound advice:

"In dealing with the volunteer as a real, live human being, it is important to remember that more than likely he will react emotionally to questions and then rationalize his response. The anatomy of a value judgment reveals that a person takes in a fact, relates the fact to what he already knows, and then acts on the basis of some commitment. It would be difficult to over-emphasize this point. Like all human beings he has a set of values—a 'hot line,' if you please—something that is extremely dear and important to him. And while he might not like to raise money, he can become very excited about 'arresting the erosion of local initiative,' or 'helping young men and women find some meaning and purpose in the human enterprise,' or 'giving a deprived student a chance to operate in the free enterprise system,' or 'hlping some young man or woman become a doctor or a lawyer or a nurse,' or, as one businessman told me recently, 'giving freedom another stockholder.' The point is clear and I repeat it for emphasis: The volunteer will react initially to situations in the light of his commitment as a human being, as a result of what he deems important. It follows therefore, that getting to know this man and finding out what makes him tick is absolutely essential if the volunteer is to be used effectively."

Dr. Wireman went on to describe the volunteer as (1) a man of power—financial, political, or church; (2) a man of access to people; (3) an extremely busy man; (4) a highly organized man; (5) a problem-solver who can accept great challenges; (6) a man who is inspirable; and (7) a man capable of sacrificial giving.

The volunteer must be led to feel that his task is important not just for a campaign success, but for the strengthened contribution of the institution in preparing young men and women for service. The cause, he must believe, is very much more than meeting the financial needs of an institution. Staff relationships with the volunteer must convince him that together they become indispensable partners in a great enterprise.

Any top-flight volunteer is a man of action, accustomed to achieving successful results because he can make decisions based upon the sound detailed staff work provided by his associates. He will, therefore, expect adequate briefing and backing by a competent staff from the institution.

He rightfully expects the staff to provide sound objectives and a thoughtfully created plan of action. He may have good suggestions for improving both the objectives and the procedures, but he can do this more effectively if the basic work has been provided by the staff. Very infrequently will it be productive to go to volunteers with the plea, "Here's our problem. How do we solve it?" Rather, we come with a plan, saying "To solve this problem or to achieve these results, here's our suggested plan. What suggestions do you have to make it more effective?"

This emphasizes the necessity of our helping to conserve the time of our volunteers to secure maximum results from their efforts. The necessary meetings with volunteers should be planned with ample advance notice (two to four weeks) not only as a matter of courtesy to the volunteers, but as a matter of reasonable assurance of getting the meeting into their busy schedules.

Think for a moment about the amount of time you have wasted in meetings and then put yourself in the shoes of your volunteers. They deserve meetings which begin on time and move swiftly to achieve their objectives. A well-planned agenda is essential. Preferably a copy of the agenda should be mailed to all members. Certainly, the staff member responsible for the activity would discuss the agenda in advance with the volunteer chairman. Successful meetings are not run by the staff with volunteers listening. They are conducted by volunteers on the basis of detailed advance work by the staff.

An essential facet of any project requiring volunteer participation is the timing of activities, meetings, and reporting on a schedule prepared in consultation with the volunteer leadership. Deadlines are essential for success. Tell a man that a job may be done at his convenience and he probably never will get around to fitting it into his schedule. Give him two weeks from today to make the call, then remind him next week of the deadline, and he'll usually make the call two weeks from yesterday. Deadlines do make a difference when volunteers check on volunteers to get the task accomplished.

Volunteer effectiveness will be greatly increased on the basis of thorough briefing about the institution and about the specific job responsibilities assigned to them. Enough time must be spent in the training program so that the volunteer understands his task and how to do it, and the training must be directed by a person or persons qualified to handle this important teaching. There is no substitute for the interpretation of the objectives of the institution to the volunteers by the president or by a key member of his administrative staff. Armed with up-to-date knowledge about the institution and prepared for the step-by-step activity of each assignment, the volunteer can use his influence superbly in behalf of the college.

Continued communication along a two-way street makes possible more intelligent volunteer effort and brings back to the institution valuable knowledge of the attitudes of its constituents. Bring volunteers to the campus. Involve them in planning for the college and in meaningful committee activity. Keep them abreast of changes in the college program and of plans for the future. Report progress regularly to the volunteers to help maintain their confidence and their enthusiasm.

By all means, listen to volunteers. Encourage their comments, suggestions, and criticisms. Give them an opportunity to offer advice upon which more intelligent decisions may be made. Help them to understand the peculiar problems of a college in contrast to a business organization. You'll listen to much that proves to be of limited value, but you will encourage more active support from these friends. You won't get a wealth of readily usable solutions, but the ideas of others will spark your own more effective thinking.

Throughout your entire program, keep the top volunteers focused on the basic job: (1) leadership in understanding higher education in general and your institution in particular; (2) leadership in interpreting your institution at every opportunity; (3) leadership in generous gift support, and (4) leadership in personal dedication to achieving success of your cause.

Men and women who volunteer to assist colleges and universities do so with a sincere hope that they can be of constructive service. They look to the college or university for guidance in how they may best serve. Their continued interest and support will depend upon how effectively they are involved and how skillfully they are used. It is incumbent upon the college administration to give them responsibilities within their capabilities and experience and to show a sincere interest in how well they do their work.

The two most important words to use with volunteers are, "THANK YOU." They deserve thoughtful expressions of appreciation for all of their efforts. Grateful acknowledgment will improve performance on the next assignment.

Work with volunteers is rewarding and profitable. Volunteers perform effectively—(1) if the right volunteer is enlisted for the job to be accomplished; (2) if the volunteer is meaningfully involved in activities of the institution; (3) if their objectives are guided toward specific results; and (4) if they receive adequate recognition for their good work.

Most of us are here today because of the thoughtful volunteers whose effort and support make possible the institutions in which we serve. We are indebted indeed to them! This thought probably led John R. Mott, the distinguished Y.M.C.A. lader, to comment appropriately, "Blessed are the money-raisers. For in Heaven they shall stand next to the martyrs."

Motivation for Financial Support

John W. Leslie

We are all motivated people in the sense that personal motives underlie so much of the activities, work, and interests which occupy our waking day. Some motives we recognize, some are subconscious.

Webster defines "motive" as "that within the individual, rather than without, which incites him to action: an idea, need or emotion." Therein lies the guiding light for every person seeking to motivate another individual to share of his time and wealth for the advancement of higher education.

The key words are "within," "incites to action," and "idea, need or emotion."

The title of this paper is "Motivation for Financial Support," and Webster defines "motivation" as "to provide with a motive." One non-Webster definition might be helpful and that is the term "applied behavioral scientist" used by a psychologist friend to describe people involved with their institution's public relations and development program.

For purposes of this paper, motivational aspects will be confined to interpersonal communication and relationships, and will not include mass methods such as advertising, direct mail, etc., albeit important.

The term "applied behavioral scientist" can certainly be extended to the president and trustee or other volunteer. The only difference is that development program personnel must be responsible for the systematic collection and utilization of information. The presidents, other chief executive officers, faculty, trustees, and other volunteers are not only users of the collected information but also provide intelligence input and judgment.

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Search of the Literature

Before discussing application of motivational theory to fund raising, a paraphrasing of some of the literature might be helpful.

- People do what they do because they have a need, i.e., people give because they have a need to give. As simple as it sounds, donors are human and are motivated by human, personal needs.

- People have to identify a personal need or they will not give. Or probably stated more accurately, a gift will fall far short of its potential unless the giver can relate himself with the purpose. Institutions spend disproportionate time on their needs relative to the needs of the individual.

- Philanthropy satisfies a secondary, not primary, need. A person's principal concerns generally are toward needs such as food, shelter, clothing. Giving of time and money becomes a consideration only in needs which the late Abraham Maslow calls "self-actualization" (developing one's maximum potential) and "esteem."

- The chief motivating drives—or needs—seem to be:

    career
    home/parents/family
    fear
    narcism (personal comfort and ease)
    super-ego
    self-sentiment (what he thinks of himself)
    mating
    pugnacity
    assertiveness
    sweetheart/spouse

- B. F. Skinner, among others, is a firm believer in the importance of reinforcement of observed or suspected needs. Skinner would probably suggest forgetting the list of motivations, worrying only about reinforcement of known actions.

- Some psychologists believe the so-called "new-rich" are not likely to support abstract causes. These persons would probably identify more with practical or tangible projects.

- Is new wealth more or less likely to give than old or inherited wealth? Research seems inadequate on this subject and the layman can easily document historical cases to prove either thesis. Theoretically, the rags to riches person should have developed confidence in his ability to acquire money (should he have to do it again), should appreciate the less-fortunate person's lot, and want to perpetuate himself in a good light for succeeding generations. Well-known examples of this type are Andrew Carnegie, Julius Rosenwald, and James B. Duke.

On the other hand, persons who have accumulated sizeable fortunes may be interested in only one thing, playing the game for greater power. They have not grown up with a tradition of philanthropy and quite often their competitive "frontier" spirit does not permit them to consider helping what they look upon as weakness. Illustrations might be John D. Rockefeller, Sr., Henry Ford, Thomas Mellon, and John Jacob Astor. While the elder Rockefeller did feel strongly about his church and did provide support, it remained for his son to perfect the art of philanthropy. Henry Ford was a paradox. He actually created the Ford Foundation and made it the largest in the world; but in many respects philanthropy was the beneficiary only because to him it was less distasteful than paying estate taxes.

- The old concept of reward and punishment being at the heart of human motivation is not an entirely satisfactory explanation in this day of affluence. A newer theory holds that a task itself must be so challenging that accomplishing it becomes its own reward. Rewards must fit the drives of the individual, and this requires perceptive analysis of drives and needs.

- Maslow used the term "metamotivation" to describe the highly motivated person whom he called "larger than life." There are a small number of these persons, but each is a leader in society. Some of their characteristics are:

  . . . sense of calling,
  . . . motivated activities may be ends in themselves, e.g., artist writer who creates with little thought of market or use,
  . . . value system beyond his own needs.

- Unfortunately, the "motivational triangle" of

conflict ╲ ╱ dissonance
displacement

is the basis of a great deal of philanthropy. An over-simplified example is the person who resolves (displaces) his guilt feeling of conflict and dissonance which his wealth has created by making a contribution. All too often this contribution is of token nature and as James Russell Lowell said, "the gift without the giver is bare." Actually, motivations change and an astute fund raiser could use this initial conscious gift as a door-opener to stimulate higher motives in the donor.

- Giving has been identified with the search to satisfy a number of inner needs, among them:

... the need to feel useful,
... the need to belong,
... the need for recognition,
... the need to conform,
... the need to compensate for feelings of guilt, and
... the need for group loyalty.

Belonging, group loyalty, and conformity are, of course, overlapping, but each suggests a somewhat different value system.

- Ernest Dichter has pointed out that non or inadequate giving has been identified with the following inner-person factors:

... fear of having assumed responsibility for the person or institution
... fear of seeming soft
... fear that once the gift is made, attention will be withdrawn, and
... fear of giving too much or too little (therefore, easier to do noth-
... ing).

(Note: It is readily recognized that the setting, situation, or context of the gift request is also of great importance—such as who asks whom and when—but this is another matter and will not be discussed in this paper.)

- And finally, one of those homespun adages from amateur fund-raising psychologists: giving is habit. Therefore, what is important—as the professional practitioner beside the couch knows—is reinforcement, reinforcement, reinforcement. . . .

What Can Be Applied?

What, then, can we learn from the psychologist?

First of all, there's no standard formula whereby an application of certain stimulae on perceived motives will result in instant wealth for institutions of higher education. Donor analysis is difficult, information collection long and tedious, and the final result often vague and uncertain.

On the other hand, persons involved with the increasing of understanding and support of higher education have probably only scratched the surface in the application of motivational theory. Psychology has been employed, but it probably came as the result of intuition, common sense, or the application of years of experience (possibly all three). More research is needed in the systematic analysis of case studies, in the delineation of donor characteristics and common traits, and in the testing of the results of certain stimulae—to mention a few.

Practical Approaches

But the present so-called "state of the art" does offer practical suggestions. First of all, development officers should establish a professional, systematic, in-depth analysis-information collection procedure on major donors and prospects. The institution needs to discover "why" a person contributes his time, money, or both. The "why" most likely will not be simple and may only come after exhaustive research on the part of trustees, president, and other close acquaintances. In other words, a fairly complete profile has to be developed, and the person or persons making the assessment should be conversant in the field of motivational theory.

For each profile there needs to be a plan which, returning to our earlier definitions, attempts to provide (or stimulate) that something within the individual which incites him to action, i.e., support of your institution.

The only missing ingredient is for our actuator, be he development officer, president, trustee, or other volunteer, to be a humane, understanding, and empathetic person himself. Providing an individual with a motive which will result in increased support of higher education should not be viewed as engaging in some black art which contrives to entice a person to go against his wishes. Few if any people have ever become major givers against their wills. Fewer still have gone to the poorhouse as a result of their benefactions. But more importantly, in the long run the donor will receive as much or more in intrinsic value from his gifts than the institution gained tangibly in money. This has been personally documented time and again by philanthropists.

Taxes and Motivation

Of a very practical nature, one question keeps coming up regarding motivation for financial support. To what extent do the tax laws affect gifts? Experience and some research has shown that the income tax may affect the form or timing of the gift, but the donor is stimulated principally by the cause and not by tax avoidance. On the other hand, our estate and gift taxes probably do provide a positive encouragement to philanthropy. As mentioned earlier, Ford Foundation was established to help maintain control in the company and to avoid the massive 91 percent estate taxes of the time. In countries which have little or no tax deterrence to the passing of wealth from one generation to another, there is little major philanthropy.

Applying Motivational Research to Fund Raising

It may well be that in the year ahead we shall see behavioral psychologists on the staffs of larger institutional advancement programs. In the meantime, the present practitioners must themselves become truly applied behavioral scientists.

What words kept coming up in the cursory review of the literature?

needs/drives
inner-person
individual
identification
reinforcement
satisfaction/rewards

These words, it would seem, should provide the framework for incorporation into the development program of some of the present knowledge of human motivation. Colleges should not forget their annual mass appeals, but their future financial strength rests in the hands of a relatively few donors. Make no mistake about this in the allocation of time.

Four steps suggest themselves to the development office, and, since "identification" is one of the key words, they can be briefly categorized as the four steps of identifying motives.

Step 1—*Identification—In records* The best prospect for a major gift is a current donor. Therefore, gift records should be screened with two thoughts in mind: ability to give and pattern of giving to the particular college.

Step 2—*Identification—In depth* A systematic information retrieval and storage procedure should be established. Facts should include the nature and size of wealth, personal habits and interests, biographical data, reports of previous personal contacts, family information, personal observations by friends, and all other items which should shed light on the person.

Step 3—*Identification—Psychologically* By using the profile information, an attempt should be made to determine factors which motivated the donor to provide financial support. This doesn't have to be a complete psychological brief, but several people, including a person with some motivational expertise, should be in the review process.

Step 4—*Identification—Personally* Persons representing the college should get to know the particular individual better and confirmation of the collected information and impressions should be attempted. It is imperative for members of the college staff to make to the best of their ability an objective assessment of the motivations of the particular individual. "Why has he been making gifts?" "What satisfactions does he seek?" "What needs are we helping to satisfy?" Some of the answers will be obvious and simple, others will be complex.

In Summary

The problem of applying motivational theory to fund raising does not have to be unnecessarily complicated. Essentially, like so many other things, it's hard, detailed work. The people who are too lazy to do their homework will get dimes rather than dollars.

Reading, fact-finding, personal contact, systematic procedures, along with some imagination are the basic ingredients. You need to know your prospect, your institution, and your job.

Remember, behind actions there usually are motives. The more you know about people, the more you'll like them. And, too, they should be happier and the gift income figures should be brighter.

Starting from Scratch: Building a Gift Record System

George W. Yenerich

On February 1, 1960, almost ten years ago, I was appointed Director of Development at North Central College, a small liberal arts institution located at Naperville, Illinois, in the western suburbs of Chicago. When we walked into the Public Relations and Finance Office that cold morning almost the first question we asked was: How much money have we raised and from whom has it been received? To our utter amazement the office secretary handed me a large black ledger. "Here," she said, "it's all listed in here." And so it was—day by day, year by year, item by item, page after page. Only one problem—it was not organized in any fashion whatsoever.

So our first analysis was begun. We listed each gift by source, by donor, by year, on columnar analysis sheets. Fortunately, or unfortunately, whatever your viewpoint, there were not too many gifts to list. Without benefit of IBM tabulating equipment (then or now), we began the task. Six weeks later we had a master alphabetic and geographic gift record and summary for each gift received during the previous thirteen years.

This, then, satisfied the first requirement for successful fund raising—to find out how much gift money is received and by whom it is being given.

This information was placed on simple white cards alphabetically and on manila cards geographically. Every gift received by the college for any purpose is recorded on both cards. This is the cornerstone of our gift record system.

And here we should pause just a moment to mention another requirement for successful fund raising. All gifts large and small for *any* purpose must flow through one office (preferably the Development Office). If not the Development Office, detailed listings must be received from the treasurer's office so that gift records may be kept in the Development Office. This rule should apply to every person who may receive gifts, including the department and division chairmen, music school, various organizations, the treasurer, the president and, yes, even the football coach. If gift money is reaching the institution and being deposited directly, you must have the president "blow the whistle" and if the president is depositing money directly, then you must "blow the whistle" on him. This is not easy; however, you might as well clear the air immediately. If you are to be in charge of fund raising, then you must know of every gift received.

You will note that I said you must know of every gift, not that you have the right to determine the use of every gift. That right is reserved for the board of trustees; or they delegate it to the president in many institutions.

The next major step we took was the establishment of an eight-part Official Gift Receipt Form. For this we are indebted to Frank Ashmore of Duke University whom we met at the 1961 Colorado Springs Development Seminar, our first ACPRA conference. Frank, or perhaps someone before him, had developed a nine-part form which we reduced to eight for economy reasons. (Our forms supplier could produce eight copies much more economically than nine.) We wanted a dignified, simple, systematic gift receipt with multiple uses. This official gift receipt fills the bill and we have reordered many times. Incidentally, our receipt usage has gone from 600 per year to 6000 per year as our development program progressed. At least some portion of the repeat gifts have been encouraged by the use of an official receipt and a "thank you" letter for every gift regardless of size.

To explain the receipt form—the first copy, which goes to the donor, is only a half sheet. It contains the standard information required for IRS purposes: date given, date received, donor's name and address, amount of gift, amount of pledge (if this is payment on a pledge) and balance due on pledge. Also the purpose of the gift, etc. A short thank-you is also a part of this top half as well as a note that all gifts to North Central are tax deductible. Each receipt is signed by the clerk recording the gift, usually my secretary.

The bottom half and the other seven copies used internally, however, are the real heart of our gift record system. Each receipt is typed by IBM carbon ribbon typewriter so that no problems are encountered in reading even the seventh or eighth copy. Information typed on the remaining seven copies is as follows: class number (if alumni) or gift code (if other than alumni), follow-up date for next gift, a complete record of previous gifts, the number of gifts, total dollars given, date of most recent previous gift, amount of most recent previous gift, unusual or outstanding note about previous gifts, and indications of strong special interest. There is also space for a note of comments, special handling, etc.

As I said earlier, copy one (the half sheet) goes to the donor. Other copies are distributed as follows:

Copy 2—to the Business Office with cash or check.

Copy 3—to the chronological file in numerical order. (this copy replaced our former ledger)

Copy 4—to the gift classification file. This copy is filed by size of gift for our annual fund so that a complete analysis may be made each year at the completion of the fund.

Copy 5—Class file (if alumni) or to source group (if other than alumni). This becomes the source of our annual Honor Roll of contributors published as part of the President's Annual Report. This annual honor roll is an integral part of our fund-raising program. However, this is another story for another time.

Copy 6—goes to mailing services for address correction and then to the area geographic file. In this way, every two weeks from February through June our volunteer chairmen are supplied with a report of gifts and dollars received from their areas compared with other areas. This report can be prepared in a minimum time as all receipt copies are filed within two days of issuance of the receipt. This permits compilation of reports without costly tabulating equipment and with a minimum of clerical expense.

Copy 7—is mailed immediately to the class agent if it is for the Alumni Fund or to the Source Group chairman in our development council, if it is not from alumni. This permits all volunteer chairmen to be immediately and completely informed of all gifts received from their areas. This is a fundamental part of our basic fund-raising policy: Keep all key volunteer chairmen informed and hold nothing back from them. We have found this policy encourages more and larger gifts from our volunteers as they see others making significant gifts. They also are far more

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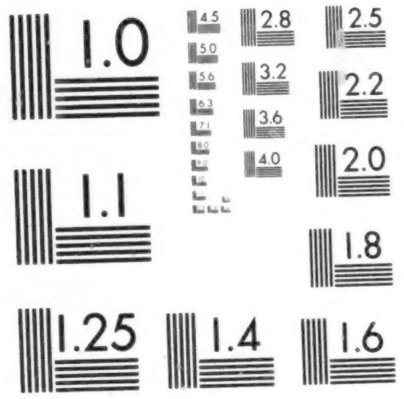
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MICROCOPY RESOLUTION TEST CHART
NATIONAL BUREAU OF STANDARDS-1963-A

effective when they know exactly what gifts have come in from their areas. In many cases, also, the volunteer chairman writes an additional thank-you to the donor, i.e., to the Parents Fund donor or Naperville Fund donor.

Copy 8—comes to my desk and then to the President's desk if the gift is $100 or more and then is returned to me to use as a follow-up file for the next regular gift. Copy 8 should be analyzed carefully each time you return to the campus or at the close of each day when you are on campus. In this manner you can really keep your finger on the "pulse" of your development program just as if you opened the gift mail each day. Much valuable information can be gleaned by a careful scrutiny of your copy and perhaps be helpful in dictating the letter of thanks that goes with each receipt.

The next major step in our fund-raising reporting system is also obtained by sorting and tabulating each month "good old Copy 8". First, they are sorted by source group and then summarized by the number of donors and dollars. After a year, effective comparisons can be made by time period with the same month or period the previous year. In this way you can determine improvement or decline in your actual cash received. You can also make comparisons with goals by source and by month which you have established at the beginning of the year in your "Goals and Priorities". This is also not a subject we can explore in detail today. However, it is the only way to keep the pressure on yourself and your men. Set realistic but difficult goals, both tangible and intangible and report regularly in writing your progress against these goals. For us this is six times per academic year —in the September, November, January, March and May development council meetings, as well as in July by way of a final written report to all key volunteers.

These comparisons with previous periods, as well as present goals, can be very rewarding or embarrassing, and you work day and night to see that they are not embarrassing. These reports also give credit to chairmen who have worked and keep the pressure on for them to produce even greater results.

Written reports are given for each development committee indicating important calls made, meetings held, and large gifts received. Appropriate publicity is also arranged reporting the fund-raising results, featuring the volunteer chairman with major credit given to him for improvement or attainment of goals.

One additional facet of our fund-raising records systems is a subsidiary file maintained on 250 corporations, 75 foundations, and 350 individuals. These files on special prospects contain as much information as our research can compile. Some folders merely have the name and address of the prospect. Other files have the name, address, annual report, list of officers and directors, news clippings of sales and profits, as well as other information on previous gifts to us or to other educational institutions, and also copies of proposals submitted previously.

The benefits of our gift record and reporting system are many. First, it is simple. Any typist can be trained to prepare the eight-part receipt form. It can be started at the beginning of your fund year or at any other time if you desire. It is a flexible system which can be adapted to your special needs. Copies 2 through 8 may be distributed in any way you wish. The system permits ease of reporting at any time—monthly, weekly, or even daily, as you get down to the "wire" in your fund-raising year. The system can be expanded or contracted if the need arises, or if subsidiary records must be maintained or tied in. We believe it is adaptable to data processing at some time in the future when the business office changes over to tabulating equipment.

The final benefit is that it is inexpensive. One clerk can record all gifts received by an average college or university receiving from 7000 to 10,000 gifts per year. We're sold on it and hope it or some version of it may be useful to you.

Of course, any record system is only useful if it permits you to receive and acknowledge gifts in a dignified manner and allows for the personal touch to be retained. Gifts come from people—human beings—and they wish to be thanked in a personal way. Correct names and addresses are *all-important*. You must know your donors well. You must understand their personal wants and desires. They must be addressed properly in your thank-you letters, as Dear Mr. & Mrs. Smith, or, Dear Jim and Mary, if you know them personally and if they are not considerably older than you. Remember that people give to other people and for specific purposes.

Often, special information on prospective donors is supplied by trustees, development council members, alumni board members or faculty members. This is placed in the special file on individual donors.

A personal response by a key volunteer, a faculty member, or a certificate of recognition for special gifts is really appreciated by most donors.

We also produce a highly restricted subsidiary list of donors over $100 and send it to each trustee as well as the chairman and vice-chairman of the development council, the president, my assistant director and a few key development chairmen. We ask them to thank personally any donor they know well. This also helps to keep the face-to-face personal relationship in the thank-you procedure.

Perhaps the best way to sum up my subject is to say it involves much detailed work to make each donor feel his gift is individually significant to the educational program of the college. If you can even come close to achieving this relationship you are well on your way to success in fund raising.

Evaluating a Development Program

Arthur C. Frantzreb

There is no magic way to evaluate the success of a development program. From the beginning it is a sequence of events in the artful management of people—from the planning stage to obtaining a financial commitment in writing from persons who want to share their assets for the benefit of others.

Withal, the descriptions of procedures, materials and techniques, the development function is one of human engineering for an intangible product to meet leadership and financial goals to assure and even insure the teaching-learning process for others largely unknown and unseen.

The satisfactions and rewards of accomplishment are qualitative. A small first gift from a difficult, even recalcitrant, prospect may provide greater reward and promise of greater potential than raising 15 percent more than last year's annual fund. The commitment of ten deferred gifts where there may have been none could provide greatest hope for the future. Yet trustees, treasurers and faculty erroneously expect that the development function can be measured only in terms of annual cash funds in hand. Such expectancy is as illogical as expecting every student to become a seven-figure donor within a year of graduation.

Evaluation begins with expectancy. Miracles do not just happen in administration, in sales or in philanthropic giving; they must be engineered. Only to the extent to which they are engineered with reason, patience, thoroughness, commitment, understanding and hard work can they be measured. Success doesn't just happen.

Productivity is an illusive criterion whether applied to faculty, research, business operations or general administration. The development officer, however, is in a particularly vulnerable position for testing in fact rather than by hope. It is mandatory therefore that the criteria for judgment be fair to all lest any shortfall be the first responsibility of the judges.

The development officer and the development program will not suffer low productivity rating if:

1. the college is ready or intends to get ready for a progressively aggressive philanthropic sales program;
2. the positions and functions are properly described to and planned for by trustees;
3. the development officers are thoroughly researched before retention as to proven sensitivity, personality and executive capacity;
4. the trustees, all administrators, all staff and faculty leaders understand the teamwork requirements for *total college success,* not just development office success;
5. the alumni, public relations, news bureau, publications personnel understand their function is evaluated only in terms of payoff in the development program.

The college will have failed in its development program:

1. if 100 percent of the trustees are not consistent, proportionate contributors to the annual fund program;
2. if 100 percent of the sponsoring groups, development council or committee, are not contributors to the annual fund;
3. if 100 percent of the senior administrators are not contributors to the annual fund;
4. if a deferred gift program is not established in the first year;
5. if the annual fund is not a college-wide record of annual support as a central gift receiving and accountability fund for annually recurring gifts;
6. if the top 100 prospects are not identified and researched, and studied as to interests and potential;
7. if the most promising 10 percent are not carefully studied and plotted for involvement and communication, and the top 1 percent are not identified and researched for very special handling;
8. if all publications and communications maintain a business-as-usual posture omitting articles, statements and reports on financial need requirements;
9. if the records and research office is not adequate to meet information retrieval requirements of volunteers and top gift potential;

10. if development office personnel view their job as essentially internal rather than external;
11. if volunteer leadership is enlisted for their name's sake rather than for action-oriented influence and affluence benefit as authenticators and advocates;
12. if receipt, recording and acknowledgment procedures require more than 48 hours;
13. if too many people must "approve" case statement and promotion materials;
14. if public advocacy of the college's importance and urgency for support is shunned by trustees, top volunteers, faculty and alumni leaders;
15. if the president shunts prospect conditioning and solicitation responsibilities to lowest priority;
16. if business officers intefere in the administration and reporting responsibilities of the development officer;
17. if the case for support is not 100 percent supported by academic facts, financial integrity, constituency expectancy;
18. if volunteers defer and delay committed responsibilities;
19. if administrative planning for meetings, telephone followups, minutes of meetings, and myriad of details are sloppy, unexecutive and considered unimportant;
20. if meetings, office hours and appointments are not respected sharply;
21. if other administrative responsibilities and/or off-campus counsel jobs interfere with their prime responsibility;
22. if time schedules and goals are not set and adhered to;
23. if staff, or trustee or volunteer ego dominate both experience and judgment;
24. if professional or academic discipline training prevents expansive programs and opportunities;
25. if "I, me, and my" get in the way of "we and us."

Only three or four of the above points refer to dollars directly. But each does indirectly. Confidence in the competence of management is one of the greatest motivators for staff associates, volunteers and donors alike to work, work hard; give and give again.

The achievement of dollar goals is the product of the successful handling of countless details of administration in preparation, implementation and followup. Evaluation of success by dollars alone without consideration of ground prepared for next year is both hollow and invalid. The billiard champion is not so much concerned with the ball at play as he is for setting up his next play.

Evaluation of a development program must include the intangible criteria of pride of accomplishment in preparing for a better, warmer understanding of the mission and services of the college by a larger number of people.

Success is tested in terms of successful communication—to alumni and friends. Person-to-person meetings are far more important than countless mailings whether plain or fancy. Personal invitations and prompt, warm thank-yous are part of the graciousness in man's dealings with man which has been lost in the race for less personal rewards. In my personal experiences I have been constantly astounded at the gross rudeness of college presidents who do not answer their mail at all. Deans, business officers and development officers suffer this malady, too, but presidents have a special responsibility for response as chief executives. The college's public relations is a constant campaign in putting the best foot forward to present and promote quiet pride in the humanness of the college.

Success should not be measured by publications that dazzle and defy interpretation. Millions and millions of dollars are wasted in fancy and dramatic publications that neither impress nor inspire confidence of the college publics. The ten commandments are beautiful for what they say, not because the stone on which they were written contained precious mica or granite, or that they were designed by a special artist or produced on a four-color, computer-controlled press. Large gift donors are not impressed with evidence of wastage, and most large gifts are inspired by personal discussion and letter followup. More people would be better informed, interested and concerned and responsive if colleges said less, sent less, but said it well, simply, honestly and creatively.

In summary, the evaluation of a development program is the sum total of a great, great many details. Unappreciated opportunities to interest and impress people abound. These consciously and conscientiously executed continuously will make the dollar objectives for annual and capital giving far easier to achieve and larger endowment possible sooner.

Man holds in his hands through life and hereafter only that which he has given away. Our tests should be the tests of man's love expressed to his fellow man which will provide many warm returns—even dollars.

Concluding Remarks

Roger J. Voskuyl

The development team, as we have defined it, consists of the trustees, the president and the development officers. *The trustees must be involved.* That is one reason we are delighted to have had so many trustees participate in this institute.

Presidents and development officers, if not already acquainted, should be acquainted with some of the literature that is distinctly helpful in the in-service training of trustees. I would like to share with you a few notes from the bulletin which is published periodically by Gonser, Gerber, Tinker and Stuhr. This particular issue was in the form of an open letter to new trustees and, of course, for review by all trustees. It listed twenty questions which a new trustee should ask. I will read you a few of the key questions:

> Does your college or university have a clear statement of purpose?
> What is its strength?
> Does it have a long-range plan?
> Is there a financial projection?
> Does your institution have a broad-based, continuous development program?
> Do you have an annual plan?
> Is your priority placed on working for the major gift?
> Does your development program have the benefit of professional consultants?

This is an excellent article for the president to give the trustee, for it is written specifically for and to him.

At this institute, as you are of course aware, we have had as participants twenty-three directors of development from institutions with well-established development programs. As you also know, these gentlemen have been assigned as consultants to the colleges participating here, and will visit the campuses of their assigned colleges during the forthcoming academic year. I have found it—as I am sure you have—a pleasure and a privilege to work with these men, and I therefore feel it proper and important to share with you some of the comments and concerns they have expressed during the week.

First of all, they commend you for being people with commitment and a sense of mission. They have noted how many young people are here, just beginning their assignments in the development field. They have been very favorably impressed by the caliber of person participating in this institute.

One of the concerns expressed by a number of the consultants was in regard to the campus visits that they will make. When they come to your campus, they want to be your back-up development officer; they see this as a chief purpose of their visit to your campus. They have emphasized the necessity for you, as the development officer, to prepare for this consultant visit. You must prepare an agenda, choosing the areas that you would like to have emphasized on the visit. You must set the stage for the consultant, both informing him as to what to expect, and preparing the people on your campus with whom he is to confer.

Another concern that was expressed was in regard to the selection by the colleges of professional consultants. It is apparent that some of the colleges are not aware that there is a generally accepted code governing the operations and methods of professional counsel or consultants. I would here simply urge you to familiarize yourselves with, as an excellent formulation, the code of standards of the American Association of Fund-Raising Counsel. Let such a document be your guide in selecting and retaining counsel.

At the same time, I want to encourage you to use professional help. Most, if not all, CASC colleges should have first-rate fund-raising counsel as soon as they can afford it. Such counsel, however, is a waste of money if there is no full-time development staff person on your campus. Counsel does not raise money for you; he gives your staff on-the-job tutoring—and on-the-job is the only way to learn development. Counsel can and should be expected to work not only with the development office staff but with the president, the trustees, the volunteers, the admissions officers, the alumni and the public relations personnel. In addition to help in specific techniques, counsel can bring to the college the very real benefit of a forced periodic review of operations and progress. Many of the institutions with the best and most effective development programs have used counsel for years.

As part of this program, we had you, the development team from each campus, outline your future plans as you saw them at this point in your learning experience, in working together as a team. I have selected a few reports to share with you as examples.

The College of Santa Fe is planning to make more frequent calls on prospective donors, supplementing the letters that they have been writing. The alumni program will be expanded and actively followed by the director of alumni affairs, as well as the director of development, the trustees, and the president. Faculty and students will be brought into fund-raising efforts. Legislators and businessmen will receive more attention regarding the utilization and the value of the private college. Trustees will be given more specific assignments. Volunteer committees will be expanded and their efforts will be enhanced. A government funds program will be put on a realistic basis and coordinated with the long-range planning effort. Foundations will be contacted in person and more frequently.

At Eastern Mennonite College a four-point program has been stated:

1. To form a development committee of the trustees.
2. To establish and maintain a 100-name major gift and deferred gift prospect file and to make it accessible to the volunteer group of the college.
3. To formulate new programs such as the president's club and the parents' program. To consolidate all programs, including alumni activity with trustees, faculty, churches, foundations, corporations, into a *results-oriented* program.
4. To involve the faculty in the development objectives by establishing a faculty development committee and charging it with preparing project proposals and carrying out a faculty campaign.

During the fall semester the staff at St. Thomas Aquinas College plans to establish a statement of goals for the next five years; and to research foundations, corporations, individuals and other donors. During the spring semester they are scheduling the first contact stage. They will seek methods to further motivate the alumni and to reestablish the parents' association.

One college, Westmont College, came prepared with a fully worked-out *Plan and Program for 1970-71*. May I give you just a few of the highlights.

A goal of $679,000 was broken down as follows:

Trustees—$150,000 (to give or get for the college)
President's Council—$25,000
Faculty and Staff—$10,000
Alumni—$50,000
Parents—$25,000
Donors—$50,000
Foundations and Corporations—$150,000
Independent Colleges of Southern California—$50,000
Deferred Gifts—$149,000
Miscellaneous—$20,000

The question may well be asked, "Is this a realistic goal?" The brochure describing the program gives the following statistics by budgeted and non-budgeted income.

	Budgeted	*Total Income*
1966-67	$142,000	$ 844,000
1967-68	$154,000	$1,600,000
1968-69	$255,000	$1,093,000
1969-70	$355,000	$1,000,000 plus

Some of these funds were received as restricted income.

Reading on in the brochure, we note a *Master Calendar of Events and Schedules* by specific date for the next year. The program for the Development Department included details on the following:

I. Deferred gifts program

II. Annual fund drive
    A. direct mail
    B. foundations
    C. faculty/staff giving
    D. corporate program

III. Capital gifts program

IV. Cultivation program
    A. on-campus conferences
    B. "Friends of Westmont" reception
    C. The President's Council

V. Alumni program

VI. Parents' program

VII. Community program

VIII. Publications

IX. College Days

X. Office Operations

XI. Church Relations

XII. College Representation

This ten-page document is a fund-raising tool which I am sure is going to be very effectively used in the hands of the development officer, the president, and the trustees of Westmont College. Outstanding in the brochure is a chart showing the progress in the deferred gifts program. Since 1962 this college has written in trust agreements and annuities between $13 and $14 million, of which $2 million is available for immediate use. I hold this as an illustration of what can be done with plans, personnel and hard work.

It has been a joy to have you here and I thank you for coming.

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Spring 1971

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